REAL SITUATION

OF THE

EAST-INDIA COMPANY.

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OF THE

EAST-INDIA COMPANY

CONSIDERED, WITH RESPECT TO

THEIR RIGHTS AND PRIVILEGES,

Under the Operation of the late Acts of Parliament;

ESTABLISHING

A BOARD OF CONTROUL

AND

A COMMITTEE OF SECRECY.

TO WHICH IS ADDED

AN APPENDIX,

CONTAINING

ORIGINAL PAPERS,

Relative to the Proceedings of the COURT OF DIRECTORS, and the RIGHT HON. COMMISSIONERS for THE AFFAIRS OF INDIA,

---

THE SECOND EDITION.

BY GEORGE TIERNEY, ESQ.

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THE

REAL SITUATION

OF THE

EAST INDIA COMPANY.

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FEBRUARY 12, 1786.

IN the courfe of the debate which took place at the India Houfe on Wednefday laft, I was once or twice on the point of intruding on the attention of the Court. I heard myfelf accufed of having petulantly joined the oppofition; I was arraigned for an apparent defertion of former principles; I was defcribed as having affifted in the call of a General Court, from a wifh to encumber the wheels of Government, and perplex the affairs of the Company; in a word, every taunt was thrown out, which could be fuppofed to irritate me into hafty recrimination, or betray me into an unguarded warmth of reply which might have afforded an advantage to my enemies. It is with real fatisfaction that on my return home I recollect myfelf to have withftood all thefe provocations, and that I can now, without any fear of partial mifreprefentation, or apprehenfion of being interrupted by prejudice, difpaffionately take up my pen to ftate to the world at large, the true grounds on which my conduct with regard to the Company has been founded.

In the firſt place, as to the charge of acting from factious motives, and having changed my principles from pique or unſteadineſs, I beg leave to ſay that I throw back the inſinuation with contempt. I maintain my ſentiments on the ſubject of the different India Bills to have been invariably the ſame. I oppoſed with every faculty I poſſeſſed, what I conceived to be an unwarrantable and violent encroachment on the part of Mr. Fox. I ſtood forward againſt his Bill, becauſe I thought it an unjuſtifiable infringement on a Charter which was not proved to be forfeited, and becauſe I thought it might be the means of giving to one branch of the Legiſlature a weight of influence dangerous to the authority of the other two. I ſtill avow the terms, and am proud of the part I took againſt that meaſure; but I ſhould little deſerve the approbation which thoſe ſentiments at the time procured me, could I have heſitated to reſiſt the ſame violence, becauſe it was offered in a different ſhape by different men. Within a few days after the Portland Adminiſtration was diſmiſſed, I attended the Committee of Proprietors appointed to watch over the rights of the Company, and heard with ſurpriſe the conceſſions which were about to be made to the new Government; but it was not with *ſilent* ſurprize.—I inſtantly *oppoſed* ſuch language. Mr. Johnſtone was in the Chair, and, if his preſent ſtate of health would happily admit of ſuch an appeal, I would call upon him to vouch for the truth of what I have here aſſerted. The memory of my friends will, however, voluntarily do juſtice to the conſiſtency of my ſentiments on the occaſion, and the recollection of my enemies will perhaps be quickened, when I remind them that it was on

that

that very fubject I had the bad fortune to attract the cenfure of the late Mr. Atkinfon, and to fmart under the correction of his fuperior abilities.—Again I muft repeat, that my oppofition has uniformly been levelled at the meafure and not the men.

But I fhall be afked, why it is that my attack on the prefent Bill has been fo long delayed? I will meet the queftion fairly.

At the period of the great Revolution in Politics 1783-4, Gentlemen were accuftomed by fome ftrange fatality never to cenfure Mr. Fox without praifing Mr. Pitt. It feemed to be with them a neceffary confequence, that to inftance the temerity of the one, was to demonftrate the moderation of the other, and that to prove Mr. Fox unfit to be entrufted with the management of the Eaft India Company, was to eftablifh his rival as the moft proper perfon to overlook all their affairs. Hence, though they certainly never could have expected to fee the prefent Bill, while they remembered Mr. Pitt's language with regard to the one which was rejected, there were many reafons why their feelings could not be openly declared. After the praifes they had fo wantonly lavifhed on the new Minifter, it was almoft impoffible for them, though they faw the danger, to retreat—perhaps too it may be faid that their retreat was cut off, there being no *third* party to receive them. They might be ftunned by the blow which was fo unexpectedly given, and by fo fudden and unlooked-for an affault rendered incapable of refiftance, or, even when they recovered themfelves, falfe fhame might operate, and thofe who had been fo very eager to fhew how warily they had detected the defigns of their avowed

 enemy,

enemy, might be unwilling to acknowledge how much they found themſelves deceived in the profeſſions of their ſuppoſed friends. Be this as it may, certain it is that all the circumſpection, vigilance, and nice ſenſe of right, which had ſo laudably diſtinguiſhed both the Directors and Proprietors, on a ſudden dwindled into nothing. It was boldly aſſerted that what was done, was done with the conſent of the Company,—no contradiction was given, and the Bill paſſed.

At ſuch a ſeaſon, and with the minds of men ſo diſpoſed, would it not have been the height of abſurdity to have come forward in oppoſition to the meaſure? Should I not have been told, that narrow notions of excluſive privilege were to be laid aſide; that both parties had ſeen the neceſſity of abandoning the ſtrict queſtion of right; that the occaſion for a Parliamentary Controul of ſome kind was admitted on all hands; that the purity of Mr. Pitt's character gave ſuch a ſanction to any Board of which he was a member, that ſuſpicion was not allowable; that candour required the Bill ſhould at leaſt have a trial; and that it would be unfair to preſume without proofs, that jealouſies would ariſe between the Court of Directors and the new Commiſſioners, or that the latter had any idea of deviating from what the India Company conceived to be the ſpirit of the act, and were themſelves willing to receive as ſuch. ——Will any impartial man ſay, that the oppoſition of a few Proprietors would not, when theſe arguments prevailed, have been an idle and unprofitable attempt? It would indeed at that time have been a ridiculous one—But the caſe at this day is different. We are now able to decide upon cauſe and effect together. The unguarded confidence which

which was repoſed on the ſanction of Mr. Pitt's name, cannot obliterate certain papers ſigned "*Henry Dundas*." It is no longer a queſtion what a daring Board of Controul *might do*,—we ſee what even the preſent unaſſuming Commiſſioners *have done*. What formerly would have been termed arguments of malicious theory, are now inferences of recorded practice; and as, by dear bought experience, we are at length freed from the blind devotion which was paid to the meaſure at its outſet, I truſt we are capable of examining diſpaſſionately the conſequences which have accompanied its progreſs.

One word more and I proceed to the buſineſs. In what I have hereafter to ſay I muſt be allowed to lay in my claim to credit with the candid part of the world. Throughout the whole of my conduct relative to this ſubject I will be bold to aſſert, that I have acted, however impoliticly, as an honeſt and independent man, and that the Proprietors of India Stock were the laſt ſet of perſons in the world from whom I had reaſon to have expected unkind inſinuations. It is rather an ungrateful return to one who has been a volunteer in their cauſe, and who is not conſcious how the part he has acted can be attributed to any unworthy motives. But this is a point I need not argue. Let my views be conjectured from the means I take to gratify them. I oppoſed Mr. Fox in the plenitude of his power; I attack the preſent Commiſſioners with the ſceptre in their hand. Whether or no, in ſo doing, I either have ſerved or may ſerve the India Company, I will not venture to pronounce, but I am ſure, if my object is of a ſelfiſh nature, my method of obtaining my wiſhes has nothing but its novelty to recommend it.

I now

I now proceed to examine into the real ſituation of the India Company, under the operation and effect of the acts of the 24th and 26th of Geo. III. as far as they relate to the Board of Controul and the Court of Directors.

The principles of the firſt of theſe bills as ſtated in the Houſe of Commons were theſe—to veſt in a Board of Commiſſioners a right to ſuperintend and controul the proceedings of the Court of Directors on *all political queſtions*; but to leave *the enjoyment of the patronage*, and the *management of the commerce, excluſively in the former poſſeſſors*. Theſe I maintain to have been the out-lines on which the bill was *profeſſed* to be drawn; ſo that the four-and-twenty Directors were ſtill to hold their oſtenſible authority, actual influence and commercial privileges, with this limitation, that their diſpatches relative to the civil or military government or revenues of the territorial poſſeſſions were to be ſubmitted to the Board of Controul, whoſe conſtitution and powers are thus defined.

" His Majeſty is to appoint ſix Privy Counſel-
" lors, of whom one of the Secretaries of State,
" and the Chancellor of the Exchequer for the
" time being ſhall be two, to be Commiſſioners
" for the Affairs of India.

" Any three of them ſhall form a Board, and
" in the abſence of the Secretary of State, and
" the Chancellor of the Exchequer, the ſenior
" of the Commiſſioners, according to his rank
" in appointment, ſhall be Preſident.

" In caſe the ſaid Board ſhall at any time
" be equally divided, the then Preſident ſhall
" have the caſting voice.

" H-

" His Majesty may revoke the commission
" at pleasure, and appoint new commissioners.

" The Board are empowered to superintend,
" direct and controul all acts, operations, and
" concerns which in anywise relate to the civil
" or military government or revenues of the
" British territorial possessions in India. The
" Directors are to deliver to the Board copies
" of all dispatches which they receive from
" India immediately on their arrival; also copies
" of all letters, orders, and instructions whatso-
" ever, relating to the civil or military govern-
" ment or revenues of the territorial possessions,
" proposed to be dispatched to India, and the
" said Directors shall obey all orders from the
" Board relative thereto.

" The Court of Directors shall, without
" delay, forward their dispatches as they are ap-
" proved or amended by the Board of Con-
" troul, unless, on any representation of the said
" Directors, the Commissioners may think pro-
" per to order an alteration to be made.

" The Court of Directors, on receiving orders
" from the Board which relate to points, *in*
" *their opinion, not connected with the civil or mi-*
" *litary government or revenues, may apply by pe-*
" *tition to the King in Council, who shall decide*
" *whether the same be, or be not connected with the*
" *civil or military government or revenues, which*
" *decision shall be conclusive.*

" The Directors are to choose, from amongst
" themselves, a Secret Committee, of not more
" than three.

" *If the Board of Controul shall be of opinion*
" *that the subject matter of their deliberations, con-*
" *cerning the making war or peace, or negotiating*
" *with any of the native Princes or States in India,*

" *shall*

" *ſhall require ſecrecy, they may ſend ſecret orders*
" *to the Secret Committee, who, without diſcloſing*
" *them, ſhall tranſmit their orders in the uſual*
" *form, according to the inſtructions of the Board*
" *to the reſpective governments and preſidencies,*
" *and the ſaid governments and preſidencies ſhall*
" *pay obedience to ſuch diſpatches, and ſhall return*
" *their anſwers, ſealed, to the ſaid Secret Com-*
" *mittee.*

" *The ſeveral governments and preſidencies are*
" *required to pay the ſame obedience to all orders*
" *ſigned by the ſaid Secret Committee, as if ſuch*
" *orders had been iſſued by the Court of Directors.*

" Nothing in the Act ſhall extend to give to
" the Board of Controul the power of nomi-
" nating or appointing any of the ſervants of
" the ſaid United Company.

Such are the powers of the Board of Controul, and ſo are they defined in the Act of Parliament.

The firſt obſervation which muſt occur to every man who reads the different clauſes, is the very ſhallow ſecurity given for the Board not interfering with the commerce. For my own part, indeed, I do not exactly comprehend how, in the nature of things, it ever can be practicable, totally to *ſeparate* the *commercial* from the *civil* and *revenue department*. That the trade of the Company may be ably carried on by twenty-four gentlemen, acting in concert with, and under the direction of a ſuperior Board, I can readily conceive; but to ſuppoſe it can continue to thrive under the management of a ſet of men who have no authority, acting in oppoſition to a Board who have the entire ſuperintendance of all our territories in India, who have the right of making war and peace, the arrangement of all matters

matters of revenue, and the office of negotiating with every power in the country from whence this trade is to flow, is a pofition which I fhould beg leave to queftion. It is to be confidered, that our connection with India ftands upon a very different footing from what it originally did. Commerce and territory are now fo intimately blended, that their refpective confequence muft, perhaps, entirely depend on their *united* exertions. "The conqueft of Bengal," fays the Abbé Raynal, "without making any effential "alteration in the external form of the Englifh "Company, has produced a material change in "the object of it. They are no longer a *commercial fociety*, they are *a territorial power* "who make the moft of their revenues by the "affiftance of a traffic that formerly was their "fole exiftence, and which, notwithftanding the "extenfion it has received, is no more than an "acceffary in the various combinations of their "prefent real grandeur." And again, the fame author, fpeaking of the Supreme Council eftablifhed by the Act of 1773, after ftating to what its authority extends, adds, "though the ope-"rations of commerce be not immediately "under the infpection of this Council, yet it "has in reality the decifion of them; becaufe "having the fole difpofal of the public revenues, "it can grant or refufe advances at pleafure." I mention thus much rather as a matter of amufing fpeculation than as a point which it is at prefent neceffary to argue, for I contend that the queftion is, not whether it be *poffible* to feparate the commerce from the civil government and revenue, but whether fuch a diftinction *is fecured* by the prefent Act of Parliament.

Whenever the intentions of men are fair and open they will expreſs themſelves in terms plain, and unequivocal. If I mean that certain things ſhould be performed according to my profeſſions, my orders for the performance will naturally run almoſt in the language of my promiſe. An evaſive execution is worſe than a denial of the contract, becauſe it avoids the teſt of direct enquiry, treacherouſly withholds what it dares not openly refuſe, haraſſes one party and diſgraces the other.

When this bill was introduced, in order to attract the praiſes that are beſtowed on moderation, and to gain the confidence of the people by an affected diſplay of diſintereſted motives, it was ſaid, " we do not mean to go the violent length " of our predeceſſors; God forbid that *we* " ſhould touch the *trade* of the Company; *that* " we intend ſhould ſtill remain excluſively their " own." Let it be ſo enacted then—No! when we come to reduce theſe profeſſions to writing, they run thus: " In caſe we ſhould ever think " proper, in our diſpatches, to give directions " which relate to trade as well as government, " it ſhall not be lawful for you to ſay at once, " that we have exceeded our powers, and inter- " fered with your commerce, but you ſhall ap- " peal to the King in Council, to *know whether* " *we have or not!*" Here is the whole ſecurity the Company have, and even this clauſe I think I ſhall, in the ſequel, be able to prove is virtually done away. An appeal! from ſix Privy Counſellors, two of whom are in the Cabinet, to the King in Council!—The deciſion that would be given is about as difficult to be gueſſed at, as the reſult of a Dean and Chapter's deliberations

when

when they aſſemble to elect a Biſhop. An appeal! to beg his Majeſty will *explain to four-and-twenty merchants* what things are to be underſtood as *relating to trade!*—It is as ridiculous as if the *Privy Council* were to apply to the *India Houſe* for a definition of *prerogative*. To argue this clauſe ſeriouſly would be to give it a degree of conſequence to which it is not entitled. It needs but to be read to be proved an inſult to our underſtanding, and to make us feel that the real regard of Mr. Pitt for the rights of the Company, when reduced to practice, can only be equalled by that *diſintereſted* zeal with which Mr. Dundas has the goodneſs to accept the very troubleſome office of ſuperintending the affairs of India, *without ſalary* or *proſpect of reward!*

Having recapitulated the powers of the Board of Controul, as defined by the act of parliament, and ſhewn the happy method by which that act gives ſecurity to *one* of the leading principles on which it avowedly was recommended to the Legiſlature for adoption, I next proceed to point out in what manner the authority of the Commiſſioners has been exerted on the *other* principle of the bill,—that of ſuperintending the *political* concerns of the Company; and on this head I aſſert, that the very firſt exerciſe of their office was *a direct contradiction and defiance of the words of the act*, as well as a palpable *neglect of the intereſt of the Company*. To prove my firſt aſſertion I cite the clauſe in queſtion, to prove my ſecond I refer to the declaration of the Court of Directors, and I then appeal, for a fair deciſion, to the common ſenſe of every man who peruſes what I am about to write.

There were certain enormous fums of money claimed by fome Britifh fubjects at Madrafs, as being due from the Nabob of Arcot. Thefe debts are claffed in three divifions; one called the Loan of 1767, the other the Cavalry Loan, and the third the Confolidated Debt of 1777, amounting in the whole to 70 lacks of pagodas, or 2,800,000l, Of this fum the debt of 1777 conftituted the greater part; that is to fay, in 1781, it ftood at 50 lacks of pagodas, or 2,000,000l, bearing an intereft at 12 *per cent.* The reflections that had at different times been caft on the nature and fecret hiftory of thefe tranfactions did not redound much to the credit of the claims; moft of them were much involved in an ambiguous obfcurity, but *the loan of* 1777 was wrapped in *total darknefs.* The Directors fay, "Although we have repeatedly "written to the Nabob, and to our fervants, "refpecting the debt, yet we have *never been* "*able to trace the origin thereof, or to obtain* "*any fatisfactory information upon the fubject.*"

When it is underftood that the *public debt* from the Nabob to the Company (for the arrears of his current payments, and the expences incurred in defending the Carnatic) is computed by the Directors as being nothing fhort of three millions fterling; and when it is ftated, that, taken in the moft favourable point of view, the net revenues of the Nabob do not exceed 30 lacks, or 1,200,000l, the reader will eafily perceive the embarraffment that muft proceed from outftanding *private* claims being preffed upon him to fo great an amount as above related, and how neceffary it was, in order to an equitable arrangement, finally to afcertain their validity

validity and extent. Where the greater part of the fortunes of ſo many Britiſh ſubjects was concerned, it certainly would have been unfair, on the bare ſuſpicion of colluſion and fraud, to diſallow the whole claims of the private creditors; but, on the other hand, juſtice to the Company equally required, that the Directors ſhould not ſuffer the payment of their public debt, bearing *no* intereſt, to be protracted, by admitting to a participation of the * fund to be eſtabliſhed by the Nabob for the diſcharge of his incumbrances, claims to an enormous amount carrying *an intereſt of* 12 *per cent.* of which neither the origin nor legality could be traced. The Nabob's own admiſſion of their validity weighed but little, for the very ground of objection to them was, that they were a *colluſive ſhuffle between the debtor and the creditor*: So that it became an information neceſſarily to be required, *what ſums had been actually* and *bona fide advanced*, in order that they might be diſtinguiſhed from others which ſhrunk from inſpection, and had continually avoided every teſt of open examination †.

* The Nabob is to aſſign twelve lacks annually, from his revenues, towards the liquidation of his debt.

† In ſtating this abſtract of the hiſtory of the debts, my only view has been to comprize, in a ſmall compaſs, ſufficient to enable the reader to comprehend the object of the clauſe in the act. Thoſe who have taken the trouble to examine into theſe tranſactions, know, that to enter upon the merits at large would, in itſelf, occupy a volume. I have endeavoured faithfully to give the brief outlines of the buſineſs, and ſhall only further obſerve, that in mentioning the imputations which have been caſt on the nature and origin of the debts, I have contented myſelf with adopting much milder language than either the Directors, the Preſidency of Fort St. George, or even Mr. Dundas. *Vide* the 4th Report of the Secret Committee, and the Appendix to it.

Such

Such being the ſtate of the queſtion, let us proceed to examine the conduct of the Legiſlature thereon.

By the 37th clauſe of the act, (ſee the Appendix, No. I. 1.) the Court of Directors are inſtructed to take the origin and juſtice of theſe demands into their conſideration, as far as the materials they are in poſſeſſion of will enable them to do, and to direct their Preſidency abroad to *complete the inveſtigation*, and then, in concert with the Nabob, to eſtabliſh a fund for the diſcharge of thoſe debts *which ſhall be juſtly due*, in ſuch a manner as may be conſiſtent with the rights of the Company, the ſecurity of the creditors, and the honor and dignity of the Nabob.

I aſk any unprejudiced man whether, having read the facts which gave riſe to the introduction of the clauſe, and the terms that are adopted in it, he would not naturally conceive the meaning of the Legiſlature to have been this: "We refer "the arrangement of theſe diſputed claims *expreſsly* to the *Court of Directors*, and we mark "out the *preciſe manner* in which they are to diſ-"charge this commiſſion. Their firſt great object "muſt be thoroughly to *inveſtigate* the *origin* and "*juſtice* of the debts, and having *aſcertained* ſuch "of them as ſhall be *juſtly due*, proceed to ſettle "with the Nabob ſome mode for putting them in "a regular train of payment. But in adjuſting "this train of payment, the Directors muſt take "care, firſt, that it does not interfere with the rights "and claims of the Company; next, that the "creditors be ſecured according to the fair priority "of their demands; and laſtly, not ſuffer their "attention to either the rights of the Company, "or the claims of the Britiſh ſubjects, to militate

" againſt the proper honour and dignity which the " Nabob ought always to preſerve."

Acting apparently under theſe ideas, the Court of Directors prepared a diſpatch which, previous to its being ſent to India, was ſubmitted to the Board of Controul. It ſtates (ſee Appendix No. I. 2.) that they had taken the demands into conſideration as far as they had materials, which materials they quote and comment upon. They then ſay, That " being in a ſtate of uncertainty as " to the origin of the demands both of the old and " new creditors, (*particularly the latter, which pre-* " *cludes them from judging of the juſtice thereof.*)" they direct their Preſident and Council at Fort St. George, to enter into " a full *examination* of " the *origin* and *juſtice* of them; whether the ſums " were *really and bona fide advanced*, and alſo the " name of each individual creditor who ſhall " prove his debt to the ſatisfaction of the ſaid " Preſident and Council." This done, the next orders are, to tranſmit the whole of the proceedings to the Governor General and Council, who, having taken the ſame into their conſideration, are directed to make the final diſtribution and award according to the proviſions of the Act of Parliament.

Theſe orders the Board of Controul *totally expunge*, and ſubſtitute others in their place in *direct contradiction* both to the *words* and *the ſpirit* of the clauſe referred to. It was the will of the Legiſlature, that the debts ſhould be firſt proved and then ſecured —It was the pleaſure of the great Commiſſioner that they ſhould be firſt ſecured, and then ſtand admitted till they were diſproved.—Fortunately for Mr. Benfield and his friends, the fiat of the latter carried moſt authority.

The

The Paragraphs as altered by the Board of Controul run thus: (fee the Appendix, No. I. 3.) The Loan of 1767, and the Cavalry Loan are at once pronounced *clear* and *indifputable*. They then come to the debt of 1777, amounting to 2,000,000l. and after fhewing, that "it was not "in any refpect whatever conducted under the "aufpices or protection of the Prefidency at "Madras;" that it has "no fanction nor autho-"rity," even in the eftimation of Mr. Dundas himfelf; that the means taken to procure the dif-charge of this unauthorized demand were fuch as difabled the Nabob from performing his duty to the Company, and that, under all thefe circum-ftances, they fhould "be warranted to refufe "their aid or protection in the recovery of this "loan;"—after thus criminating the whole tranf-action, they proceed to give it their—*fupport and affiftance*. When they confider "*how inexpedient it is to keep the fubject longer afloat*;" how much the final conclufion of the bufinefs will tend to pro-mote "*circulation of property*;" when they confider too, "that the *debtor concurs with the creditor* in efta-blifhing the juftice of thefe debts, and how little ground there is to expect any fubftantial good to refult from an unlimited *inveftigation*,"—— they refolved *to recognize the juftice of them*, and to extend to them *that protection*, which upon more forcible grounds they faw caufe to allow to the other two claffes. The Prefidency are, however, directed to receive any complaints againft the debts of 1777, either from the Nabob, other creditors injured by their being fo admitted, or by other perfons having a proper intereft, or ftating a rea-fonable ground of objection. The Board then declare the fentence of arrangement as to priority in

in point of payment, and having done this, the Right Honourable Commiſſioners triumphantly pronounce their decree to be " founded in juſtice," and magiſterially command, that whoever ſhall dare to diſturb it ſhall " be diſmiſſed the " ſervice, and ſent home to England."

In the Appendix (No. I. 4.) the reader will find the repreſentation of the Court of Directors againſt this extraordinary exerciſe of power, in which they moſt truly obſerve, that thoſe demands, the *juſtice* of which the act required them to *inveſtigate*, were, by the amended paragraphs, *at once ſubſtantiated without examination.* But they add, " to theſe your appropriations of the " fund, *our duty requires that we ſhould ſtate our* " *ſtrongeſt diſſent*. Our right to be paid the ar- " rears of thoſe expences, (by which almoſt the " country and all the property connected with it " were preſerved from falling a prey to a foreign " conqueror) ſurely ſtands paramount to all " claims for former debts upon the revenues of " a country ſo preſerved, even if the Legiſlature " had not *expreſsly limited the aſſiſtance to be* " *given to the private creditors to be ſuch as* " *ſhould be conſiſtent with our own rights*. They then go at large into a detail of calculations (which ſee in the Appendix) and conclude with the following forcible inference: " thus " the public debt, carrying no intereſt, will be " protracted to afford a preference to private " debts, conſiſting of different deſcriptions, on a " part of which claims *the Board have declared,* " *they were contracted contrary to the public* " *orders of the Company, and therefore could have* " *no ſanction or authority from the Court of Di-* " *rectors*."

The Appendix (No I. 5.) contains the rejoinder of the Board of Controul to this representation, in which, after only giving way in one point, (viz. that the debt ſhall be made up to the year 1784 with ſimple inſtead of compound intereſt,) they attempt to deal out ſome comfort by aſſuring the Directors that they have the * *ſtrongeſt grounds* to believe that the private debts will be conſiderably leſs than they are now computed, and conſequently the Company's proportion of the twelve lacks will be larger than in the eſtimate is ſuppoſed. They then tell them, that being of opinion there is not any room for objecting to the arrangement, they have made "no alteration in the general out-lines of "it," and deſire that it may be forthwith tranſmitted to India,—and ſo ends the diſpoſal of upwards of £.200,000 of ſecret claims, by the penetration of the Honourable Commiſſioners diſcovering, that "no ſubſtantial good could reſult from an *inveſtigation* into thoſe debts," of which, by the *Act of Parliament*, the Court of Directors are expreſsly enjoined to *enquire the origin and juſtice*.

* *Whence* did the Right Hon. Commiſſioner obtain theſe *ſtrong grounds of belief?* Are there ſome papers at the India-Houſe which the Court of Directors have never ſeen? Is Lord Macartney's ſtatement to be conſidered as fallacious? Or, does he derive his information from ſome more convincing authority than any *public* document, which authority he does not think proper to bring forth? If, in his volunteer reſearches for the good of the Company, he has diſcovered any fortunate clue by which *new light* is thrown on theſe dark tranſactions, ſurely common juſtice required that he ſhould have let the Directors into the ſecret.

I ſaid

I ſaid I would prove the conduct of the Board of Controul to be in this inſtance contrary to the letter and ſpirit of the law, as well as injurious to the Company, and I truſt I ſhall be allowed to have fulfilled my promiſe, at leaſt until a *haſty admiſſion* of a debt can be conſtrued as a *complete inveſtigation* of it, and until the ſubſtantial calculations of the Court of Directors ſhall be oppoſed by ſomething more convincing than *ſtrong grounds of belief*.—I muſt now take the liberty to offer a few obſervations on the ſubject, which, in order to draw the reader's attention as little as poſſible from the conſideration of the facts, I have hitherto refrained from.

In the firſt place then, two claſſes out of theſe debts " appear clear and indiſputable," but the *third* has neither " ſanction nor authority" from the Board of Controul, the Court of Directors, or the Preſidency of Madraſs, for which reaſons, (this being " an arrangement founded in juſ-" tice,") *the ſame protection is to be extended to it which has been allowed to the other two!* The vulgar way of coming at the reality of a conteſted debt is to make the creditor *prove* it, but the new method adopted here ſcorns this old faſhioned practice, and *admits the juſtice of the demand* till ſomebody ſhall think proper to ſtate a reaſonable ground of objection. Either way this part of the arrangement is culpable: if the creditor is once able fairly to ſubſtantiate his claim, it is cruel to ſubject him to after objections; if his debt cannot be ſatisfactorily proved, it is unjuſt to adopt a general preſumption in his favour. —But I believe the objections to this arrangement will in India be but few; ſhallow indeed muſt the

policy of the creditors be, if they do not ſecure the happy turn in their favor, and fortify, beyond the reach of future attacks, the ground the Right Honourable Commiſſioners have given them. A few ſtraggling malecontents, too inſignificant to be enliſted in the grand combination, may perhaps mutter a threat or two, but there it will end. Without giving them the trouble to tell all they know, their grievances may be redreſſed, and at the ſame time two of the great objects which the Board of Controul profeſs to have in view in this deciſion will be obtained —"Tran-"quillity" will be preſerved by "the circula-"tion of property."

Let me now ſum up the reſult of the buſineſs, and I will quit this part of my ſubject. I have proved the interference of the Board of Controul to have been exerted in a manner *contrary* to the *poſitive inſtructions of the Act of Parliament*, and *injurious to the intereſts of the Company*. The Commiſſioners have not exerciſed a power of reviſing and amending the diſpatches of the Directors, but they have totally expunged their whole orders, and ſubſtituted others in their room founded on principles diametrically different. They have not confined themſelves to the ſuperintending a political negotiation to which the Directors might be held incompetent, but they have oppoſed and counteracted them in the diſcharge of an office delegated to them by the Legiſlature, familiar to their capacities from their habits of life, ſtrictly within their department as a pecuniary tranſaction, and propoſed to be executed in a manner to which no objection could be made, becauſe it was marked out and ſanctioned by the hand of Parliament itſelf.

itſelf.—After ſuch an encroachment, what may not be dreaded? If the Board ſo daringly exert their authority in contradiction to the expreſs proviſions of the act, what will they not attempt on points whereon the Legiſlature has been ſilent? If, where the powers of the Court of Directors are aſcertained, the Commiſſioners can annihilate them with impunity, what ſhall become of thoſe privileges which are only obliquely recognized in ambiguous terms?—In vain may the Right Honourable arbitrators attempt to ſhelter this meaſure under the pleas of "expediency," and the neceſſity of coming to "a final concluſion;"—I ſay the inſtance before us eſtabliſhes a precedent by which the whole property of the Eaſt India Company falls under the controul of theſe new ſovereigns; I aſſert that the conduct of the Board breathes defiance to the *words* of the Act of Parliament; and as to the *ſpirit* of it, let me only aſk if it can be ſuppoſed that the Houſe of Commons, when they ordered the Directors to inveſtigate the origin and juſtice of ſuſpicious claims to the amount of millions, could have deſigned that Mr. Dundas and his colleagues ſhould extend a ſudden protection to them without examination or enquiry?

The powers of the Court of Directors having been thus in pecuniary matters demoliſhed, the next point to which I requeſt the attention of the Reader relates to another privilege of the Company—that of enforcing diſcipline in India, and preſerving obedience and ſubordination amongſt the ſervants abroad.

By the 17th ſection of the act it was declared, that the Board of Controul ſhall not have the appointment of any offices, and when, added

to

to this, there was a right vested in the Directors to dismiss from their service whomsoever they chose, it was imagined that the Bill acted up to the professions of its framers, and that the Company were effectually secured in the possession of their former patronage. Ingenuity contrived however to discover a method by which, without claiming any power to nominate, the Board of Controul assumed to themselves the means of rendering the appointments an honour or a disgrace, and teaching the servants in India, that though the Directors gave them their offices, they were to be accountable for their conduct in the discharge of them to a *superior authority*. The right of * *dismissing* the Board already shared with the Directors, but from the right of *appointment* they had the mortification to feel themselves clearly excluded. The discerning Commissioner saw that if this power was suffered to remain pure and unfettered with the Company, they would possess a degree of respectability, and maintain an independent rank in the eyes of their servants, highly prejudicial to the Majesty of the Board of Controul. By some means or other therefore such a privilege was to be contracted and enfeebled, and if this remaining jewel in the Court of Directors could not be purloined, it was at any rate necessary that its value should be depreciated and its lustre obscured. An opportunity was not long wanting to carry this plan into execution.

* Appendix, No. 1. 3. " And we [illegible] that if " any creditor shall be found re[illegible], or [illegible] " disturb the arrangement we have [illegible] " [illegible]
" (Signed) H[illegible]NRY DU[illegible]"

A Col[illegible]

A Colonel Roſs, by a reſolution of the Court of Directors, was permitted "to return to India as Lieutenant Colonel and Chief Engineer *at Madras*, but *not allowed to rank in the infantry corps on that eſtabliſhment.*" This exception thwarting his object, which was to obtain the advanced rank of *Colonel in the army by brevet*, he petitioned the Directors, who refuſed to comply with his requeſt, and twice put a negative upon the application. Upon his arrival at Madras, however, the Colonel renewed his ſolicitations to the Preſident and Council, and endeavoured to obtain from *them* what he had been ſo poſitively refuſed *here*. The Preſidency, in their letter to the Company, make mention of this new application, to which the Directors, after ſtating the circumſtances as above, conclude their anſwer in theſe words: "his (Colonel Roſs's) urging *you* to a compliance with a requeſt which *we* had previouſly decided on, was highly diſreſpectful to us, and we direct that you acquaint Lieutenant Colonel Roſs of our diſapprobation of his conduct on this occaſion." (See Appendix, No. II. 1.)

The Board of Controul having thought proper to *expunge* the whole of this paragraph, becauſe "they cannot concur in the diſapprobation of Colonel Roſs." (See Appendix, No. II. 2.) the Court of Directors, as on the former occaſion, preſented a remonſtrance on ſuch conduct (Appendix, No. II, 3.)—but it unluckily happened that, in their zeal to defend their privileges, they almoſt fought the battle of their enemies, by affording them the very opportunity they wiſhed, to proclaim officially to the ſervants in India that the

the authority of the Company was *transferred to another quarter.*

The remonstrance of the Directors states, that the mode adopted by Colonel Ross, of "appeal-"ing from the superior to the inferior authority "is so destructive of all government, that they "should think they *abdicated their trust* if such a "conduct was permitted to pass without cen-"sure;" and "that a deliberate contempt of their "authority not only *not disapproved*, but *in-"directly applauded*, by the Right Hon. Board "*refusing permission even to reprehend*, must "lead their servants to imagine, that it is *no "longer their duty to obey those who possess the "present authority in Great Britain*, but that "*they may safely speculate on the probable judgment "which may be hereafter formed on the propriety "of the original orders.*"

Had the evil Genius of the India Company himself guided the pen, he could not have written a language more severely to be turned against them than the passages I have above quoted; and to do justice to the Honourable Commissioners, they have not overlooked the advantage that was to be gained.—Whether Colonel Ross was reprehended or not, signified but little; the grand point was, *to* [illegible] *the* [illegible] *on which the Board* *mi*[illegible] *act*, and this has been most effectually d[illegible]. The rejoinder [illegible] a sting in every word. (See Appendix, No. II [illegible]) *For* "[illegible] *situation you* "[illegible] you have [illegible] *to* "hold out the power [illegible] originally framed. "We [illegible], however, that [illegible] "[illegible] "[illegible] "[illegible]

[illegible]

" *any servant, civil or military*, *EXCLUSIVE OF* " *THE CONTROUL OF THIS BOARD!*— The obvious inference to be drawn from this in India must be, that, as the Right Hon. Board have declared their right of " refusing permission " even to reprehend," the opinion of the Directors themselves justifies the servants in being " lead to " imagine, that it is no longer their duty to obey " those who possess the present authority in Great " Britain, but that they may safely speculate on " the probable judgment which may be hereafter " formed on the propriety of the original orders."

Here then at once, degraded Company, is a blow struck at your patronage which leaves it in a situation but little to be envied. Appoint your own favourite, and the frowns of the Commissioners may cloud all his fair prospects, and by one pointed censure for ever crush his hopes of preferment;—appoint the favourite of the Board, and he may insult your authority, and subvert your discipline without your being permitted even to reprehend him. The odium and the external forms of patronage you have, but the sweets and the essential authority of it belong to another. The flattering approbation that gratifies fidelity, and the dreaded reprimand that gives vigour to discipline, are no longer yours: they flow from another quarter, in opposition to whose decrees, not even the King can impart encouragement or rebuke to the military in India. In that branch of the empire all that either your power, or his Prerogative can in future be entitled to, is the angry jealousy of unsuccessful candidates, which will ever attend on the right to appoint, and the rooted resentments which will necessarily follow the exercise of the only other privilege you have,—un-

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conditionally to difmifs. To diftribute the laurel of military achievement, to confer approbation on judicial integrity, and reward the faithful diligence of civil exertion, are ingratiating offices which appertain to Mr. Dundas. True it is, the foldier, the judge, and the governor owe their appointments to you, but they feel that their characters and eftimation with the world depend on higher opinions, and doubtlefs they will pay their court accordingly.

We have now traced the Board of Controul refolutely obtaining the difpofal of millions, and holding themfelves up as the fountain of public condemnation or favour to all the Britifh Settlements in India; what will be faid, when I go on to demonftrate that even thefe ftrides were not long enough for the ambition of fome men, but that, fetting all oppofition at defiance, they perfift in their career, and, more fecurely to carry it on, enable themfelves to act under the fafeguard of a *fworn fecrecy*.

In the recital of the powers of the Board of Controul as defined by the firft Act of Parliament on the fubject, the Reader will find that the Directors were ordered to chufe three from amongft themfelves who were to conftitute a Secret Committee, and, having reminded him of this, I muft beg leave to ftate the claufe which directs the purpofes to which the faid Committee are to be applied, *verbatim*, in order that I may not ftand fufpected of any mifreprefentation. By the 15th fection, it is enacted that, " If the Board *fhall be of* " *opinion*, that the fubject matter of any of their de- " liberations, concerning the levying of war or " making of peace, or *treating or negotiating with* " *any of the native Princes or States in India* fhall re-

" quire

" *quire ſecrecy*, it ſhall and may be lawful for the " ſaid Board *to ſend ſecret orders and inſtructions to* " *the ſaid Secret Committee* for the time being, " who ſhall thereupon, *without diſcloſing the ſame*, " tranſmit their orders and diſpatches in the uſual " form, according to the tenor of the ſaid orders " and inſtructions of the ſaid Board, to the re- " ſpective Government and Preſidencies in India; " and that the ſaid Governments and Preſidencies " ſhall *pay a faithful obedience to ſuch orders* " and *diſpatches*, and ſhall *return their anſwers* " ſealed, (under cover) with their reſpective ſeals " *to the ſaid Secret Committee* who ſhall forth- " with communicate ſuch anſwers to the ſaid " Board." I refrained from taking notice of this clauſe before, becauſe I wiſhed without interruption to bring the narrative down to the period when the *oath of ſecrecy* was added to it, in order that I might conſider it in its ſtate of perfection.

Whether it was owing to any diſtruſt the Board might have in the Gentlemen appointed to compoſe the Secret Committee, as not thinking them all tried men, or that the great Commiſſioner found when the Court of Directors got any item of what was going forward they were apt to comment too freely upon it, or that he was angry with the Committee for ſome hints they had let out, or that he had ſome maſter ſtroke in contemplation which for the good of the Company it was proper they ſhould know nothing of, or which might not be quite calculated for public inſpection,—how this might be I cannot preſume to ſay, but early in the laſt Seſſion a clauſe was introduced into the new act of parliament which compelled every member of the Secret Committee to take a ſolemn oath, " not to diſcloſe or make

" known any of the ſecret orders or inſtructions
" which might be communicated to him by the
" Commiſſioners for the Affairs of India, concern-
" ing the levying of war, or making of peace,
" or *treating or negociating* with any of the
" native Princes or States of India, unleſs he be
" authorized by the ſaid Commiſſioners to diſcloſe
" and make known the ſame."

Thus did the Right Hon. Gentleman prudently prepare the way for any new ſchemes he might have in agitation, and prevent all impertinent obſervation on his conduct by ſwearing his agents to ſecrecy.

——Never, ſo help you mercy!
How ſtrange or odd ſo e'er I bear myſelf,
As I perchance hereafter ſhall think meet
To put an antick diſpoſition on,——
That you at ſuch times ſeeing me, never ſhall,
(With arms encumbered thus or this head ſhake,
Or by pronouncing of ſome doubtful phraſe,
As, well, well, we know—or *we would, if we could*;
Or, *if we liſt to ſpeak*;—or *there be, an if we might*,
Or ſuch ambiguous givings out) denote
That you know aught of me:—This do ye ſwear
So grace and mercy at your moſt need help you.

Here was the fatal blow given to every privilege of the company, and ſtep by ſtep we have at laſt ſeen the real ſituation to which, by Mr. Pitt's bill, it was meant to reduce the Court of Directors. After the language which had been uſed with reſpect to Mr. Fox's rejected meaſure, it was impoſſible openly to take the Charter at once, but gradually and underhand it has moſt effectually been done; and really the proceſs is

is ingenious. Firſt, the King is to appoint ſix Commiſſioners, who are to ſuperintend and controul the diſpatches of the twenty-four Directors; then theſe twenty-four Directors are to chuſe three of their number who are to form a Secret Committee. This Committee are kept back as a corps of reſerve, for ſome unforeſeen emergency—no immediate uſe appears to have been made of them for a conſiderable time after their appointment, becauſe to have ſhewn too early the purpoſes to which they were to be applied, might have given the alarm before the Right Honourable Gentleman was firm in his ſeat. The firſt battles were therefore to be fought with the whole Direction together, and having vanquiſhed them in one engagement, and contrived, though quitting the field, to carry off their colours in the other, the great Commiſſioner grows weary of theſe troubleſome encounters, feels himſelf ſecure in his power, and reſolving to manage India more at his eaſe, at length brings his Secret Commitee to the charge, and gives notice, that in future he means to act through them.—Within a few days after the Committee were ſworn, the curtain was dropped, and the Directors effectually ſhut out from all inſpection into their affairs.

A diſpatch was prepared to be ſent to Madras relative to certain arrangements with the Nabob of Arcot of a pecuniary nature, which, according to the orders of the Court of Directors, dated the 9th December, 1784, the Preſidency of Fort St. George had previouſly made ſome progreſs in, and were preparing to eſtabliſh upon a permanent footing. On this diſpatch being ſubmitted to the

the Board of Controul for their approbation, they expunge almoſt the whole of it, and then deliver this laconic meſſage: "*As we think it "more proper that ſuch inſtructions, as it is now "neceſſary to tranſmit upon the ſubject, ſhould "go through the channel of your Secret Com-"mittee, we ſhall ſend a draft to them for that "purpoſe.*"—And, that there may be no miſ-underſtanding as to who is Lord paramount of the Board of Controul, Mr. Dundas ſigns firſt, and then *follows* "William Pitt;"—*ego et Rex meus*—firſt "Henry Dundas," *next*, his Majeſty's Prime Miniſter!*

On the receipt of this letter, the Court of Directors took the alarm, and conceiving a *mere pecuniary tranſaction, relative neither to peace nor war*, could not be an object which the legiſlature ever wiſhed to keep the light from, ſimply becauſe it was a tranſaction with a native Prince of India, in addition to the opinion of their own counſel, obtained thoſe of the Attorney and Solicitor General—which ſee in the Appendix No.

* As I really thought this muſt have been a miſtake in copying the letter, I took the trouble to enquire into the fact, and will now aſſert, that in the *original* the ſignatures ſtand as I have deſcribed. It is almoſt impoſſible that Mr. Pitt could have aſſiſted at the Board when this famous meſſage was drawn up, notwithſtanding he has ſigned it; becauſe, had he been preſent, he muſt, by the Act of Parliament, have been Preſident, and as ſuch, neceſſarily ſigned *firſt*. I have heard it ſaid, that the way in which buſineſs is tranſacted at the Board of Controul is this—Mr. D. dictates and ſigns the diſpatches, which, having once obtained the ſanction of his name, are carried round to the other Commiſſioners, who add t[illegible] *matter of courſe*. The world will determine [illegible] what I have above ſtated gives a colour to the report.

VI.

IV. The three opinions however uniformly agree, that, by the letter of the Act, the Board were authorifed to proceed in the manner they did. Mr. Smith, one of the Directors, threw up his office and refigned a ftation in which he found himfelf deprived of all information on thofe fubjects which his duty feemed to require him to infpect. (Appendix, No. V. 1.) The General Court came to a ftrong refolution, that the powers exercifed by the Board were fubverfive of their "chartered rights, and tended to "eftablifh a fecret fyftem of government, highly "dangerous to the interefts of the public and "Company." (Appendix, V. No. 3.) The Court of Directors deputed the two Chairmen to wait upon Mr. Pitt, to lay the above refolution before him, and afk his affiftance in Parliament to explain the powers of the Board of Controul with regard to fecret correfpondence. To this requeft, Mr. Pitt, having taken a week to confider of, and moft probably to confult with his friend on the fubject, returned for anfwer, that "he did not fee any grounds for an application "to Parliament." (Appendix, V. No. 4, 5, 6.) From that day to this, the Board of Controul have been arbitrary monarchs.

I have, in the Appendix, inferted the whole of the propofed difpatch, and marked out the particular paffages expunged by the Commiffioners, for the fatisfaction of the curious reader, and that I may not be accufed of keeping any thing back; but I do not here mean to take up time by entering into the detail of the bufinefs. My arguments reft not upon the propriety of expunging this or that particular paragraph; it is the

the *principle* on which the Board acts that I oppofe, becaufe a *precedent* is now *eftablifhed*, by which it will in future only be requifite to connect the fubject matter with the name of any native Prince, or State in India, and the key is to be turned on the Court of Directors. Let the moft fanguine admirers of Adminiftration perufe the manly opinion of Mr. Roufe, and the excellent and fpirited letter of Mr. Smith, and if they fhall ftill continue ftrenuous in fupport of the Board of Controul, and think that the Court of Directors are not capable of conducting a mere pecuniary tranfaction, I will only beg leave to fay, the fooner they are difbanded the better; their falaries are but a burthen to the Company, and their office of little credit to themfelves.

To thofe who are open to conviction, may I be allowed to throw out a few ideas on the fubject of this myfterious fecrecy.

What muft become of the authority of the Company over their fervants abroad under fuch a fyftem? It cannot furely be expected that much obedience will be paid to the Directors, when it is known, that their powers are limited to the mere routine of office, and that all the moft material difpatches are tranfmitted without their knowledge. Once fhew that they are become [illegible], and, deftroying the idea of their [illegible] and dignity, you effectually overturn [illegible] very foundation of refpect and d[illegible] now fituated, their rank in [illegible] of India is at the mercy of [illegible]. The fame fhip may carry out

out proofs of the omnipotence of the Board of Controul, and the insignificance of the Court of Directors, and while the instructions of the one are inculcating the lessons of peace, the orders of the other may found the declaration of war. In fact, intelligence of consequence will be known to the servants before the masters are acquainted with it, because the dispatches of the Secret Committee may be made public in India when they are not even guessed at here. So circumstanced, the authority of the Company will soon become ridiculous and an object of contempt. For protection and encouragement men will naturally look up to the superior, in preference to the controuled power, and what has been feelingly predicted by the Directors themselves will quickly come to pass—"the servants will "learn to speculate on the probable judgment "which may be after formed on the propriety of "the original orders," and the *public* dispatch will be but little regarded till its concurrence with the *secret* instructions is made known.

It may be remembered that I stated how feeble a security was given for the Commissioners not interfering with the commerce; I must now argue more strongly, and add, that even the ambiguous protection afforded by the *words* of the act, is, by the *operation* of it, directly overthrown. Put the case that the Board of Controul send a dispatch to the Secret Committee to be forwarded to India, which, through the medium of some native Prince, materially affects the trade of the Company. By their oath the Secret Committee are restrained from giving any information of the danger, and, as dispatches *received* in secrecy are to be secretly *answered*, it is obvious that the

Court of Directors can never know of the encroachment till they feel it in its mifchief.— What now becomes of the boafted appeal? It is to all intents and purpofes annihilated. No man can fhew me a practicable method by which the Company can avail themfelves of that claufe in the act which fays, " his Majefty in council " fhall decide whether any propofed difpatch of " the Board is, or is not, connected with points on " which they have no authority." *The King cannot, without the voluntary information of the Commiffioners, come at the bare ftatement of the fact, much lefs give a decifion.*—The feelings of the India Company may, perhaps, without hazard be infulted, but decency fhould have forbid the name of Majefty from being fported with. How muft it appear in the eyes of Europe, that an Act of Parliament which directs an appeal to the King, reduces him to the neceffity of himfelf petitioning a fubject to grant him the means of diftributing Juftice upon it!

While I am on this part of my fubject let me take the opportunity to obferve, that the *Prerogative of making peace and war* no longer exclufively flows in its ufual channel; it may be exerted in India, by the fecret powers of the Board of Controul, without any participation or knowledge of the Crown. A dafh of the Right Honourable Commiffioner's pen can fet the whole country in a blaze, and none but himfelf and colleagues can quench the conflagration.—You Indian Princes who wifh to enjoy the bleffings of peace, profit by the hint! Come with offerings and pour your tribute into the lap of him who is the new Sovereign Difpofer of fertility or defolation. In proportion as your allegiance to him

him is proved, ſo may your Territories be protected or endangered, and, as your homage is neglected or paid, the Temple of the modern *Janus* may be open or ſhut.

Strange! that the loyalty of the people ſhould be at the ſame time ſo vigilant and yet ſo blind! that they ſhould ſee the danger of giving exceſſive power to one ſet of men who were to exert it *openly*, and yet transfer a prerogative to another who are to exerciſe it in *ſecret!* That a *public* aſſumption of the diſpoſal of offices without the King's participation, ſhould create almoſt an inſurrection, and yet that the fate of an empire ſhould, without jealouſy, be ſubjected to a few individuals as a *private truſt!* That they ſhould defend their Sovereign againſt a diſtant ſtorm of which he could gradually perceive, and prepare againſt the approaches, and yet aſſiſt to lay a mine of which the diſcovery and the miſchiefs may be felt at the ſame unguarded moment! Let the Right Honourable Commiſſioner ſit upon his ſecret throne for a few years longer, and who ſhall dare to counteract him? Dreaded by one half of the princes of India, and gratefully adored by the other; with the ſervants of the Company looking up to him with reverence, and the Directors regarding him with awe; having extenſively ſcattered his connections abroad, and conferred obligations on hundreds at home; with the wealthy Plunderer his friend from fear, and honeſt Poverty clinging to him for advancement; in a word, with the whole Eaſtern empire in his graſp—what power is there in this country that can withſtand his influence? *If the crown does not ſoon exerciſe its right to revoke the Commiſſion, the ſeaſon of kingly authority may be paſt.* I throw out this as

 comfort

comfort to thofe, who fear the prefent Bill will encreafe the patronage of St. James's, and as a hint to fuch whofe bufinefs it may be to watch over the rights of Prerogative.—Let me now, after afking pardon for this digreffion, return to the Secret Committee.

* The three gentlemen who conftitute it are forced into the moft cruel fituation that can well be conceived. *As Directors* they take an oath, "according to the beft of their underftandings, to give "their advice, counfel, and affiftance for the fup- "port of the Company;" *as Secret Committee-men* they fwear, "not to difclofe or make known any "of the fecret orders which fhall be communi- "cated to them by the Board of Controul con- "cerning the levying of war or making of peace, "or *treating* or *negotiating* with any native Prince "of India." A multitude of cafes might be put in which thefe two oaths would moft materially clafh, but I will beg leave to ftate *one*, the grounds of which are frefh in the Reader's memory. Suppofe the difpatch relative to the payment of the Nabob's debts, as altered by the Board of Controul, had been fent to the Secret Committee to be forwarded to India (and the opinion of Counfel authorizes me to fay that it might); what would have been their fituation? Either they muft have

* Let me not here be thought to mean any the moft diftant reflection on the prefent Members of the Secret Committee; indeed I need not do more than fay that Mr. Manfhip is one, to prove that no difrefpectful infinuation can be intended. In point of fact too, the mifchiefs complained of did not fhew themfelves till after the three gentlemen, who now hold the truft, were fworn. I am convinced that the nature of the office was not, when it was undertaken, fufficiently confidered, and my only object is to open the eyes of thofe who may be appointed in April next.

deviated

deviated from the *obligations* of *ſecrecy* to which they were *ſworn*, or they muſt *ſilently* have *acquieſced* in a meaſure, "which," to uſe their own expreſſion, "*their duty required* they ſhould "*ſtate* their *ſtrongeſt diſſent* to."—Indeed I look upon the Secret Committee, in the very nature of it, to be ſubverſive of every principle on which buſineſs ought to be tranſacted. It is a conſtitution of three Gentlemen appointed to receive the pay of one deſcription of men, for executing the commiſſions of another, and liable to be driven into that ſtrange predicament, that they betray their truſt when they diſcharge their duty. They may be forced to ſign as their own opinion, that which their ſentiments revolt at, and incur reſentment and diſgrace when they are entitled to compaſſion and favour. Though ſlaves they may be hated as tyrants, and, while they only diſcharge an inſignificant agency, attract on themſelves all the odium that attends on uſurpation. With the moſt upright intentions towards the Company, they may be compelled to ſign the death warrant of its rights, without being able to forewarn the victim of its danger, and in a word, become to the Board of Controul, what his *Mutes* are to the Turkiſh Baſhaw, —the ſecret inſtruments of arbitrary power.—The characters of thoſe who now are Commiſſioners for the affairs of India give us ſecurity againſt theſe miſchiefs at preſent, but I maintain that under the operation of the Acts of Parliament ſuch things *might* happen.

Let me now addreſs myſelf to the Court of Directors as the Repreſentatives of the Eaſt-India Company.

In

In return for all thefe infults, and encroachments, what advantage can you prove the Company to have received. What franchife has been confirmed to them, or what privilege explained in their favor? You will anfwer, your patronage is preferved;—let us fee how that ftands. You are not allowed to fend out one fervant to India, under the degree of Counfellors, until thofe already on the fpot are provided for, and I believe I am not far from the truth when I fay, that before that happens, your charter will expire. I admit you have the appointment of Counfellors at the different Prefidencies, but let me afk, without hinting at the weight which it is pretty well underftood the recommendation of the Board of Controul, privately fignified, would have, let me afk whether you would think it prudent to appoint any man, how extenfive foever his merits, who had the misfortune to be obnoxious to the Right Honourable Commiffioner? I fee you redden at the infinuation, and prepare to vindicate your independence. Well then, perfift in your own nomination.—Your favorite fhall take his feat with triumph—He is a Counfellor.—But let him now beware how he acts—Let *his* obedience atone for *your* obftinacy, and remember that *Protection* muft come from another quarter; let him bow and fubmit to the politicks of the reigning Powers, for if unfortunately he fhould be pronounced "*refractory*," *he fhall be difmiffed the fervice and fent home to England!*

All that relates to Government or Revenue, is avowedly under the Board of Controul, from

whence

whence it demonſtratively follows, that to encreaſe the power of the Governor General, is to encreaſe the power of the Right Honourable Commiſſioners. By the late regulations of Parliament the number of the Council is reduced, and the Governor General enabled to act independently of them, hence the right of diſmiſſion becomes more valuable to the Board, and three out of four of your appointments are rendered inſignificant. Let it be conſidered too, that the choice of Counſellors muſt be made from amongſt thoſe who have been twelve years reſident in India, and the privilege of recalling will appear ſtill more important.

As to the Governor General, I fancy it will hardly be contended but that your conduct in the nomination of him is regularly founded upon a ſort of *Conge d'Elire*;—to this, however, you will anſwer, that you have the power of diſmiſſing him at your pleaſure. True, but to what end?—Of men qualified for ſo very arduous an office, there are but few to chuſe from, and ſhould you perſiſt in the exerciſe of this right, you would ſoon be driven either to appoint him who is inadequate to his taſk, or ſupport him who may inſult you with impunity. May the Noble Earl who at this day preſides over your affairs abroad, long ſuperintend them! but do not forget that not even the virtues of Lord Cornwallis may be able to exempt him from the common lot to which his ſtation, by the ſyſtem now eſtabliſhed, is liable. Whenever ſufficient uſe ſhall have been made of his reputation as a ſoldier, and his fame for integrity as a man, it may afford but little ſecurity to him, that his conduct has been exemplary and his ſervices eminent. Abſolute diſmiſſion would

indeed

indeed create an alarm, but the feelings of a veteran are nice, and a reſignation might be eaſily provoked. Thwarted and privately teized on every meaſure, he might be driven to retire in diſguſt, and leave the Government of India to be managed by a ſucceſſor better read in ſecret inſtructions.—If ever ſuch an event ſhould take place, the bleſſings of the Secret Committee, the power of the Board of Controul, and the value of your nominal right to appoint, will all, moſt probably, appear in their true colours.

As you are at length from practice, able to look upon encroachment without that violent indignation which formerly agitated you, may I be allowed to bring to your recollection the bill introduced by Mr. Fox in 1783, and preſume to compare what you then ſo furiouſly reſiſted, with what you now ſo patiently ſubmit to.

By *the bill of Mr. Fox*, the management of the India Company was veſted in ſeven Commiſſioners, of whom Earl Fitzwilliam was Preſident. Their office was to continue for four years, and their conduct was liable to the conſtant inſpection of Parliament.—By *the bill of Mr. Pitt*, your affairs are governed by ſix Commiſſioners, of whom, in every paper but one which has been produced, Mr. Dundas appears to take the lead. Their powers gain additional ſtrength every day, and no ſeaſon is marked out to perfect their growth, neither, unleſs they chuſe it, are their proceedings to be examined by any human creature except ſuch as are ſworn not to diſcloſe them. What was there here to entitle the latter meaſure to the preference? Is the character of Mr. Dundas more reſpectable than that of Lord Fitzwilliam, or is a Secret Government, in the hands of the one, leſs liable to ſuſpicion,

fuſpicion, than an open exerciſe of authority under the direction of the other?

Mr. *Fox* took the commerce, and lodged the ſuperintendence of it in nine gentlemen, expreſsly nominated for that ſole purpoſe.—*Mr. Pitt* neither takes it, or lets it alone, but, by a new ſpecies of ambiguous policy, leaves it to the King to decide on ſome future day to whoſe truſt it ought to be committed. What is there of ſuperior advantage to the Company in this? Or even if the *words* could be ſuppoſed to hold out any benefit, have I not ſhewn that the *operation* of the Act would effectually deſtroy it?

Laſtly, by *the bill of Mr. Fox*, the ſervants were to be reſponſible to thoſe who appointed them, but, by the conſtruction of *Mr. Pitt's Act*, the right of appointment excludes the idea of authority.—I will not offend your underſtandings by an attempt to ſhew the abſurdity of ſuch a propoſition.

I beg it may be underſtood, that I avoid all argument upon the effects which either of the bills may have on the conſtitution: Such a diſcuſſion would lead much beyond the limits which I have preſcribed to myſelf, and therefore I will refrain from any opinion on the ſubject; but, as far as relates to *the Company*, I maintain the bill of Mr. Fox deſerved the preference.—Its actions were open and avowed, thoſe of the other ſecret and in the dark: Both dealt deſtruction to your chartered privileges, but the meaſure you reſiſted was as much ſuperior to the interference under which you at preſent groan, as war is to aſſaſſination. In avoiding the Charge you fell into the Ambuſh, and I know of no other diſtinction than this, that inſtead of

dying honourably in the field, you are now reſerved to periſh in ignominious captivity.

I ſay to periſh, becauſe I hold it impoſſible you can ſurvive the year 1790 when your charter expires, for every Proprietor muſt feel that your preſent conſtitution never will be renewed, nor is it to be wiſhed it ſhould. So ſtrange a mixture of nominal authority and actual impotence is contrary to every principle on which a Government can hope to be proſperouſly conducted, and your total annihilation would be infinitely better than your preſent doubtful exiſtence. Let the Board of Controul ſtand forward and openly take *all*, the *whole power* and the *whole reſponſibility*, and we know what we have to truſt to; but a *ſecret*, *undefined* ſyſtem, be it exerciſed by whom it may, will ever beget *ſuſpicion*, and then follow jealouſies, bickerings, and want of confidence, evils which are dangerous to the well being of every ſociety, but which, to a commercial one, muſt ultimately bring deſtruction.

While it was ſuppoſed that the Proprietors would make a ſtand in defence of their privileges, and petition the juſtice of Parliament for redreſs, there were ſome hopes that your conſequence might again be reſtored, and that you might return to your rank amongſt the corporations of England. But the lot is now drawn, the only *means that could lead to extricating you from the difficulties complained of, has had a deciſive negative put upon it, and the ſubmiſſion of the Company to the Board of Controul has been virtually avowed.

Your

* See the Poſtſcript.

Your ſituation therefore is now without remedy, and the picture of your paſt and preſent condition, when painted by the hand of truth, moſt mortifying. I will exhibit it faithfully, and then take my leave of the ſubject.

It is but three years ago that you attracted the notice of all Europe. You complained of an attack on your charter, and every man, from the King to the plowman, took the alarm. Such was your conſequence at that period, that within a few days you carried all before you. You ſaw a whole Adminiſtration routed, a Miniſter ſupported in oppoſition to the Houſe of Commons, a Parliament ſuddenly diſſolved, and the name of the India Company ſufficient in almoſt every borough in England, to over throw all conſiderations of property, connections, or Rank.

Mark the ſequel! *You raiſed a power to cruſh yourſelves*, and in the very moment of the moſt complete victory, you were obliged to ſubmit to the conditions of the moſt diſgraceful defeat; a defeat, compared to which, the overthrow you eſcaped from your original enemy would have been glorious. The attack of Mr. Fox certainly would have taken every privilege and franchiſe from you, but you would have loſt them honourably, and the Company have expired with the reputation of martyrdom.— Better would it have been ſo to have died, than to be allowed to live on ſuch terms as the preſent. The conqueſt obtained by the Board of Controul adds inſult to injury, and having taken poſſeſſion of your citadel and made you priſoners, compels you to walk in the Conqueror's train, dreſſed out in the pomp of your former dignity, like captives in a Roman triumph!

All the parade of your loſt conſequence remains while you are not able to call a ſingle privilege your own. Without knowing what your duty is, you are reſponſible to your conſtituents for the diſcharge of it, and though oſtenſible rulers of India, you cannot carry one meaſure into execution. With all the mockery of nominal power, you are deſtitute of vigour or efficacy, and you ſit with paper Crowns upon your heads, to copy diſpatches, and lament your fate!

POSTSCRIPT.

POSTSCRIPT.

A REPORT having been induſtriouſly circulated, that the Board of Controul had made ſuch conceſſions of power as to have ſatisfied the Company, I have thought it proper to add a few words on that ſubject.

At the General Court held the 7th inſtant, a motion was brought forward, " That a Com-
" mittee be appointed to conſider of the means
" proper to be adopted, for aſcertaining and more
" effectually preſerving the rights of the Court of
" Directors and Proprietors."

In order to prove that there was no neceſſity for a meaſure of the kind, a paper was read, coming from the Board of Controul, which, on a curſory peruſal, ſtruck Mr. Rouſe to be ſuch a renunciation of the Secret Powers as the Company might be ſatisfied with. The motion on this was about to be withdrawn, but ſome little converſation happening to ariſe, a *ſecond Paper* by accident fell into Mr. Rouſe's hands, which ſo clearly proved the duplicity of *that* which had been held up as a conceſſion on the part of the Board of Controul, and the little ſecurity the Company had for the future prevention of the encroachments they complained of, that the learned Counſel *deſired to retract his firſt opinion*, and let the motion take its courſe. The conſequence was, that it was ſent to a ballot, and there decidedly *negatived!*

That I may not appear to keep any thing back, I have inſerted the *firſt* Paper alluded to, in the Appendix

pendix No. VI. and the Reader will there alſo ſee that it is not my fault he is not gratified with a ſight of the *ſecond*.

As the caſe at preſent ſtands I can give no further information on the ſubject than, that the Paper which ſeemed to be advantageous to the Rights of the Company, was officiouſly produced and pompouſly read, while that, which took away from them even the appearance of ſecurity, was directed to the *Secret Committee*, and only came to light by the *miſtake of a Clerk*. Let the world make its own comments.

APPENDIX I.

No. 1.

Demands of Britiſh Subjects on the Nabob.
24 *Geo. III. cap.* 25.

XXXVII. AND whereas very large ſums of money are claimed to be due to Britiſh ſubjects by the Nabob of Arcot, in the recovery whereof, it is expedient that ſuch aſſiſtance ſhould be given them as is expedient with the rights of the ſaid United Company, the ſecurity of the creditors, and the honour and dignity of the ſaid Nabob; Be it enacted, That the Court of Directors of the ſaid Company ſhall, as ſoon as may be, take into conſideration the origin and juſtice of the ſaid demands, as far as the materials they are in poſſeſſion of will enable them to do, and that they ſhall give ſuch orders to their preſidencies and ſervants abroad, for completing the *inveſtigation* thereof, as the nature of the caſe ſhall require, and eſtabliſhing in concert with the ſaid Nabob, ſuch fund for the diſcharge of theſe debts which *ſhall be juſtly due* according to their reſpective claims and priority, as ſhall be conſiſtent with the rights of the ſaid United Company, the ſecurity of the creditors, and the honour and dignity of the ſaid Nabob.

No. 2.

Difpatch, as originally drawn by the Directors, relative to the Mode of Liquidation of Public Debts, and Debts to European Creditors.

65. Purfuant to the directions in the late act of parliament, we have taken into our confideration the origin and juftice of the demands of Britifh fubjects upon the Nabob of Arcot, fo far as the materials in our poffeffion have enabled us to do.

66. Thefe demands are diftinguifhed under the following heads, viz.

The old debt,
The new debt, and
The debt to Meffrs. Taylor, Majendie, and Call.

67. The Nabob himfelf, in his letter to Governor Palk, of the 12th December, 1776, has given the beft account of the origin of the old debt that is to be met with upon our records, a copy whereof is inclofed, in which his right, after enumerating the caufes which, from time to time, obliged him to procure pecuniary aids, declares, "that the fums lent him were truly and juftly "lent him." The account of this debt in January, 1767, appears to be about 22 lacks of pagodas, at which time the intereft thereon was reduced to 10 *per cent.* in confequence of our orders of the 17th of May, 1766. Not more than a fourth part of this debt, we underftand, remains to be difcharged, the Company having frequently recommended the cafe of thefe old creditors to the Nabob's favourable attention.

68. I

68. It was not until the year 1776, that the Court of Directors were informed, that the Nabob had contracted a new debt, exclusive of the cavalry loan, to a much greater amount than the former. It is stated in 1777, at which time it was consolidated at thirty-five lacks of pagodas, bearing an interest of 12 *per cent.*

66. *Although we have repeatedly written to the Nabob, and to our servants, respecting the debt, yet we have never been able to trace the origin thereof, or to obtain any satisfactory information upon the subject.*

70. It is true, the Nabob has assured us in his letter of the 12th of August, 1783, " That " the claims of his distressed creditors are the " claims of justice, and whose demands he is " bound by honour and every moral obligation, " to discharge; that it is not, therefore, without " great concern, he has heard insinuations tend- " ing to question the legality of their right to the " payment of those just debts, which proceeded " from advances made openly and honourably for " the support of his own and the public affairs."

71. But notwithstanding the Nabob has thus admitted the fairness of these debts, yet, from the answer in his paper of requests, it may be inferred, that the Governor General and Council entertained a different opinion concerning them, when they thought it reasonable to require, that there should be an abatement of 25*l. per cent.* from such of the debts as may have been transferred, and that the whole should be discharged without interest. Besides, *suspicion respecting the nature of these latter debts, not very favourable to those concerned in them, have been dropped from high authority upon the spot.*

72. We do not mean to queſtion the Nabob's right to iſſue his bond to whom he pleaſes, but *when thoſe pecuniary tranſactions have relation to our own ſervants, who are bound to the Company for the performance of various conditions under certain penalties; in all ſuch caſes, it is our indiſpenſable duty to call upon the Nabob for every information upon the ſubject*, and we make no doubt his Highneſs will ſee the propriety thereof, and afford us compleat ſatisfaction herein. We are in an eſpecial manner impelled to procure ſuch ſatisfaction, when we conſider, that, for the diſcharge of theſe bonds, *the revenues of certain diſtricts have been aſſigned to our ſervants, from a country, the defence of which reſts entirely with the Company, who are therefore particularly intereſted in every thing that concerns its reſources.*

73. For theſe reaſons, we ſhould have thought it our duty to enquire very minutely into thoſe debts, even if the Act of Parliament had been ſilent upon the ſubject, before we concurred in any meaſures for their payment. But with *poſitive injunctions of the act before us, to examine into their nature and origin, we are indiſpenſably bound to direct ſuch an enquiry to be inſtituted*; and we therefore confidently hope and truſt, that you will obtain from the Nabob and the creditors, the moſt ſatisfactory account thereof, before you lend the authority of the Company to any plan for their liquidation.

74. With reſpect to the 3d article we find that in April, 1777, the Nabob contracted a debt with Meſſrs. Taylor, Majendie and Call, of four lacks of pagodas, ſaid to be advanced him, to pay the arrears due to his troops, for the repayment of which, the Madras Government engaged to be the ſecurity: *But the Court of Directors diſavowed the tranſaction.*

tranſaction. The accounts of the Nabob's officers will ſhew the ſeveral advances which were actually made in conſequence of this loan, and whether the ſame were appropriated to the purpoſes intended.

75. It appears to us eſſentially neceſſary to call for theſe explanations, as the Nabob has aſſerted in his letter of the 22d of March, 1779, that the two years were nearly expired. Meſſrs. Taylor, &c. had not entirely diſcharged the arrears of thoſe troops.

76. In the inſtructions given by the Nabob's creditors to Mr. Richard Joſeph Sullivan, the 21ſt of February, 1781, on his proceeding to Bengal, we find the following ſtatement:

	Pagodas.
The principal of the new conſolidated debt is — —	35,00,00
The arrears of intereſt at that time	10,32,500
	45,32,500

The annual intereſt of this ſum is ſtated at pagodas 5,43,900.

77. The letter from Madras of the 13th March, 1779, ſays, that beſides the conſolidated debt of 35 lacks, it is probable the Nabob may owe to individuals about 10 or 12 lacks more, including the money due to Meſſrs. Taylor, Majendie and Call, which additional ſum takes in the whole of the Nabob's debt.

78. The following then is the moſt accurate ſtatement of the Nabob's debts to his European creditors, taking the compound intereſt into the calculation, that we are able from the materials before us to procure.

Pagodas

Pagodas 45,32,500 as above.
16,31,700 intereſt thereon to February 1784.
12,00,000 as above.

Pagodas 73,64,200

79. We are aware that the amount put down here, does not exactly agree with the Nabob's own ſtatement of what he owes to his European creditors, as mentioned in his paper of requeſts to the Bengal Government, which produced the Treaty of April 1781. " Beſides," ſays he, " the " expences of the Company, the pay of my " troops, the native bankers, my creditors, the " Hindoo and Muſſelmen ſecurities, I am in- " indebted about ſeventy lacks of pagodas to " European creditors, both old and new, and " people being under the protection of the Com- " pany."

80. In this ſtate of uncertainty, as to the origin of the demand of the old and new creditors, particularly the latter, *(which precludes us from judging of the juſtice thereof)* and their actual amount, the *knowledge of which, we conceive, can only be obtained upon the ſpot*, we hereby direct our Preſident and Council of Fort St. George, immediately upon the receipt hereof, to enter into a full examination as to the points mentioned in the act, viz. The *origin* and *juſtice* of theſe demands; alſo the exact amount thereof, *whether the ſums were really and* bona fide *advanced*, and upon what particular occaſion, alſo the *names of each individual creditor* who *ſhall prove his debt to the ſatisfaction of the ſaid Preſident and Council.*

81. Having

81. Having compleated this enquiry, in which, as before-mentioned, the Nabob muſt be requeſted in our name to furniſh every poſſible information, the whole of the proceedings muſt be tranſmitted to the Governor General and Council, who are hereby directed to take the ſame into their conſideration to determine thereupon, and to eſtabliſh in concert with the Nabob, through the medium of the Preſident and Council of Fort Saint George, " Such a fund for the diſcharge of thoſe " debts which ſhall appear to be juſtly due, ac- " cording to their reſpective claims of priority, " as ſhall be conſiſtent with the rights of the " Company; the ſecurity of the creditors, and " the honour and dignity of the Nabob."

82. We think it neceſſary to acquaint you, that as many of the creditors, now reſiding in England, as ſhall prove to our ſatisfaction the origin and nature of their ſeveral claims on the Nabob, agreeably to the intention of the Legiſlature, their debts ſhall be conſidered as juſt and legal; and, ſo ſoon as the ſame ſhall have been ſubſtantiated, a particular account thereof ſhall be tranſmitted to you, in order that they may be included in the future plan to be formed for the liquidation of the whole.

From the great embarraſſment, both to the Nabob's and to the Company's affairs, which the enormous amount of theſe private claims have occaſioned, we are happy to find the Nabob willing to engage, not to incur any new debt with individuals; and we think little difficulty will be found in perſuading his Highneſs to enter into a poſitive engagement for that purpoſe. And though the Legiſlature has thus humanely interfered in behalf of such individuals, as might otherwiſe

otherwiſe have been drove to great diſtreſs; yet we hereby poſitively prohibit any of our ſervants, or other Britiſh ſubjects under the protection of the Company, from making any farther loans of money to the Nabob, or any of his family, upon any account or pretence whatſoever, declaring, that we will not hereafter interpoſe our authority to procure ſatisfaction for engagements ſo entered into, contrary to theſe expreſs directions, and the intereſt of the Company.

84. Since writing the above, the original regiſter of the Mayor's Court at Madras, dated the 16th October, 1780, has been laid before us, ſpecifying to whom, and at what time, the payments were made on account of the cavalry loan, amounting to pagodas, 4, 23, 436, 13, 26, alſo copy of a letter from Meſſrs. Call and Taylor, dated 25th March, 1779, to the Reſident and Council, we ſend you a copy of theſe papers for your information, and to guide your judgment in the deciſion which you are to give reſpecting the juſtice of the claims of Meſſrs. Call, Majendie, and Taylor.

No. 3.

Ditto Diſpatch as altered by the Board of Commiſſioners.

We next proceed to give you our ſentiments reſpecting the private debts of the Nabob; and we cannot but acknowledge, that the origin and juſtice both of the loan of 1767, and the loan of 1777, commonly called the cavalry loan, *appear to us clear and indiſputable, agreeably to the true ſenſe and ſpirit of the late Act of Parliament.*

In

In ſpeaking of the loan of 1767, we are to be underſtood as ſpeaking of the debt as conſtituted by the original bonds of that year, bearing intereſt at *per cent.* and therefore, if any of the Nabob's creditors, under a pretence, that their debts made part of the conſolidated debt of 1767, although ſecured by bonds of a ſubſequent date, carrying an intereſt exceeding ten *per cent.* ſhall claim the benefit of the following orders, we direct, that you pay no regard to ſuch claims without our further eſpecial inſtruction for that purpoſe.

With reſpect to the conſolidated debt of 1777, it certainly ſtands upon a leſs favourable footing. So early as the 27th March, 1769, it was ordered by the Preſident and Council of Fort St. George, that for the preventing of all perſons living under the Company's protection, from having any dealings with any of the country powers or their miniſters, without the knowledge or conſent of the board, an advertiſement ſhould be publiſhed, by fixing it up at the Sea Gate, and ſending round a copy to the Company's ſervants and inhabitants, and to the different ſubordinates, and our garriſons, and giving it out in general orders, ſtating therein, *that the Preſident and Council did conſider the irreverſable order of the Court of Directors, of the year* 1714, *(whereby their people were expreſsly prohibited from having any dealing with the country governments in money matters) to be in full force and vigour*; and thereby expreſsly forbidding all ſervants of the Company, and other Europeans under their juriſdiction, *to make loans*, or have *any money tranſactions with any of the princes or ſtates in India, without eſpecial licence and permiſſion of the Preſident and Council for the*

C time

time being, except only in the particular cases there mentioned; and declaring, that any wilful deviation therefrom should be deemed *a breach of orders, and treated as such*. And on the 4th of March, 1778, it was resolved by our President and Council of Fort St George, *that the consolidated debt of 1777, was not in any respect whatever conducted under the auspices or protection of that government*; and, on the circumstances of the consolidation of the said debt being made known to us, we did on the 23d December, 1778, write to you in the following terms: "Your account "of the Nabob's private debts are very alarm- "ing; but from whatever cause or causes those "debts have been contracted, or encreased, we "hereby repeat our orders, that the sanction of "the Company, be on no account given to any "kind of security for the payment, or liquida- "tion of any part thereof, except by the express "authority of the Court of Directors, on any "account or any pretence whatever."

The loan of 1777, therefore, has no *sanction or authority from us*; and, in considering the situation and circumstances of this loan, we cannot omit to observe, that the creditors could not be ignorant how greatly the affairs of the Nabob were at that time deranged; and that his debt to the Company was then very considerable, the payment of which, the parties knew, the most effectual way to postpone, by procuring an assignment of such specific revenues for the discharge of their own debts, as alone could have enabled the Nabob to discharge that of the Company.

Under all [illegible] should be war- [illegible] necessary [illegible]; but which [illegible] under *the unexpe- [illegible]*

diency of keeping the ſubject of the Nabob's debts longer a-float than is abſolutely neceſſary; when we conſider how much the final concluſion of this buſineſs will tend to promote tranquility, credit, and the circulation of property in the Carnatic; and, when we conſider that the debtor concurs with the creditor in eſtabliſhing the juſtice of theſe debts, conſolidated in 1777, into groſs ſums, for which bonds were given, liable to be transferred to perſons different from the original creditors, and having no ſhare or knowledge of the tranſactions in which the debts originated; and of courſe, *how little ground there is to expect any ſubſtantial good to reſult from an unlimited inveſtigation into them*, we have reſolved ſo far to recognize the juſtice of thoſe debts, as to extend to them *that protection which, upon more forcible grounds, we have ſeen cauſe to allow to the other two claſſes of debts.* But although we ſo far adopt the general preſumption in their favour, as to admit them to a participation in the manner hereafter directed, we do not mean to debar you from receiving any complaint againſt thoſe debts of 1777, at the inſtance either of the Nabob himſelf, or of other creditors injured by their being ſo admitted, or by other perſons having a proper intereſt, or ſtating reaſonable grounds of objection; and if any complaints are offered, we order that the grounds of all ſuch be attentively examined by you, and be tranſmitted to us, together with the evidence adduced in ſupport of them, for our final deciſion; and as we have before directed, that the ſum of 12 lacks of pagodas to be received annually from the Nabob, ſhould be paid into our treaſury, it is our order, that the ſame be diſtributed to the following arrangement:

 That

That the debt be made up in the following anner, viz.

The debt consolidated 1767, to be made up to the end of the year 1784, with the current interest at 10 *per cent.*

The cavalry loan to be made up to the same period, with the current interest at 12 *per cent.*

The debt consolidated 1777, to be made up to the same period, with the current interest at 12 *per cent.* to Nov. 1781; and from thence with the current interest at six *per cent.*

The 12 lacks annually to be received, are then to be applied;

1*st.* To the growing interest on the cavalry loan at 12 *per cent.*

2*dly.* To the growing interest on the debt 1777, at six *per cent.*

The remainder to be equally divided; one half to be applied to the extinction of the Company's debt; the other half to be applied to the payment of the growing interest at 10 *per cent.* and towards the discharge of the principal of the debt of 1767.

This arrangement to continue until the principal of the debt of 1767, is discharged.

The application of the 12 lacks, is then to be,

1*st.* To the interest of 1777 as above, the remainder to be equally divided; one half towards the discharge of the current interest, and principal of the cavalry loan; and the other half towards the discharge of the Company's debt.

When the cavalry loan shall be thus discharged, there shall then be paid towards the discharge of the Company's debt, seven lacks.

To the growing interest and capital of the 1777 loan, five lacks.

When

When the Company's debt ſhall be diſcharged, then the whole is to be applied in diſcharge of the debt of 1777.

If the Nabob ſhall be prevailed upon to apply the arrears, and growing payments of the Tanjore Peiſhcuſh, in farther diſcharge of his debts over and above the 12 lacks of pagodas, we direct, that the whole of that payment when made, ſhall be applied towards the deduction of the Company's debt.

We have laid down the general rules of diſtributions, as appearing to us *founded in juſtice*, and the relative circumſtances of the different debts; and therefore, we give our *authority* and *protection* to them, only on the ſuppoſition, that thoſe who aſk our protection, acquieſce in the condition upon which it is given; and therefore, we expreſsly order, that if any creditor of the Nabob, a ſervant of the Company, or being under our protection, ſhall refuſe to expreſs his acquieſcence in theſe arrangments, he ſhall not only be excluded from receiving any ſhare of the fund under your diſtribution, but ſhall be prohibited from taking any ſeparate meaſures to recover his debt from the Nabob, it being one great inducement to our adopting this arrangment, that the Nabob ſhall be relieved from all further diſquietude, by the importunities of his individual creditors, and be left at liberty to purſue thoſe meaſures for the proſperity of his country, which embarraſſments of his ſituation have hitherto deprived him of the means of exerting. And, we farther direct, *that if any creditor ſhall be found refractory, or diſpoſed to diſturb the arrangement we have ſuggeſted, he ſhall be diſmiſſed the ſervice, and ſent home to England.*

The

The directions we have given only apply to the three claffes of debts which have come under our obfervation. It has been furmifed, that the Nabob has of late contracted farther debts; if any of thefe are due to Britifh fubjects, we forbid any countenance or protection whatever to be given to them, until the debt is fully inveftigated, the nature of it reported home, and our efpecial inftructions upon it received.

(Signed)

HENRY DUNDAS,
MULGRAVE,
WALSINGHAM,
W. W. GRENVILLE.

No. 4.

Reprefentation of the Court of Directors.

6thly, Concerning the private Debts of the Nabob of Arcot, and the Application of the Fund of 12 Lacks of Pagodas per Annum.

Under this head you are pleafed in lieu of our paragraphs, *to fubftantiate at once the juftice of all thofe demands, which the act requires us to inveftigate.* Subject only to a right, referved to the Nabob, or any other party concerned, to queftion the juftice of any debt falling within the laft of the three claffes. We fubmit that at leaft the opportunity of queftioning, within a limited time, the juftice of any of the debts ought to have been fully preferved: And fuppofing the firft and fecond claffes to ftand free from imputation (as we incline to think they do) no injury can refult to individuals

individuals from such discussion: And we farther submit to your consideration, *how far the express direction of the act to examine the nature and origin of the debts has been, by the amended paragraphs, complied with*, and whether at least the rate of interest, according to which the debts arising from the Soucar assignment of the land revenues to the servants of the Company, acting in the capacity of Native Bankers, have been accumulated, ought not to be enquired into; as well as the reasonableness of the deduction of 25 *per cent.* which the Bengal Government directed to be made from a great part of the debt on certain conditions. But to your appropriations of the fund *our duty requires that we should state our strongest dissent: our right to be paid the arrears of those expences, by which (almost the country and all the property connected with it were preserved from falling a prey to a foreign conqueror) surely stands paramount to all claims for former debts upon the revenues of a country so preserved, even if the legislature had not expressly limited the assistance to be given to the private creditors, to be such as should be consistent with our own rights:* The Nabob had long before passing the act, by Treaty with our Bengal Government, agreed to pay us seven lacks of pagodas (part of the 12 lacks) in liquidation of those arrears *of which seven lacks, the arrangement you have been pleased to lay down, would take away from us more than the half, and give it to private creditors*, of whose demands there are only about a sixth part, which do not stand in a predicament that you declare would *not intitle them to any privilege from us in the* [illegible] *there* [illegible], were it not [illegible], as will more particularly appear by [illegible]

[illegible];

eſtimate; until our debt ſhall be diſcharged, we can by no means conſent to give up any part of the ſeven lacks to the private creditors, *and we humbly apprehend that, in this declaration, we do not exceed the limits of the authority and rights veſted in us.*

Carnatic Revenues *and* Debts.

Lacks.		
30.	The Nabob's nett revenues ſtand eſtimated at —— ——	£.1.200.000
	As the utmoſt amount to be realized in times of peace, including all the diſtricts under his Government, which lay to the Southward of Trichinopoly.	
26.	In 1776, the nett revenues came to	1.040.000
22.	In 1777, the nett revenues came to no more than —— ——	880.000
	After the ravages and depopulation which the Carnatic has undergone from the number of the huſbandmen deſtroyed or carried off, there is little room to expect that its nett revenues can amount to the ſum realized in 1777; but let it be ſuppoſed that the revenues to be realized on the return of peace ſhall be nearly to that of 1777, —— ——	800,000
	There will then be to deduct from that ſum the coſt of the ten battalions, and of the uſual garriſon ſtores, amounting, together, to about £.200.000; alſo the twelve lacks of pagodas *per annum*, towards the diſcharge of the Nabob's debts, public and private, or 480,000—680.000, conſequently the ſum of £.120.000 will be all that can remain for the Nabob's Civil Government, and his own private uſe, a ſum by no means ſufficient for ſuch purpoſes.	

On

On the other hand, if the revenues ſhall be ſhort of the above-mentioned amount, and which will probably be the caſe, the propoſed ſum of twelve lacks cannot be realized to near that amount the year for the diſcharge of the public and private debts, and leave ſufficient for the current demands.	
The new debts conſolidated, 25th Nov. 1777 (excluſive of the remaining part of the old debt of 1767, and the Cavalry Loan) amounted, according to the inſtructions from the creditors to Mr. Sullivan, in Feb. 1781, to	45.32.500
Nov. 1780, to Nov. 1781, 12 *per cent.* one year,	5.43.900
	50.76.400
Nov. 1781, to Dec. 1782, ſix *per cent.* 13 months,	3.29.966
	54.06.366
1783, ſix *per cent.* one year,	3.24.382
	37.30.748
1784, ditto	3.43.844
Pagodas	60.74.592
The Nabob, as appears by a letter from the Select Committee at Fort St. George to the Court of Directors, 13 March 1779, owed about 12 lacks more than the amount of theſe debts, and in which of courſe is included the remainder of 1767, and the Cavalry Loan. Nov. 1781, the Cavalry Loan is ſtated by the Nabob to be Pagodas	5.03.370
12 *per cent.* to Nov. 1782,	60.404
	5.63.774
12 *per cent.* to Nov. 1783,	67.653
	6.31.427
12 *per cent.* to Nov. 1784,	75.771
	7.07.198

The

The debt of 1767 was originally twenty-two lacks, the principal of this debt is ftated to be paid off within a quarter part, or about five lacks, which remained due at the end of 1777. The intereft unpaid in this debt cannot be traced, but it clearly appears to be largely in arrears, therefore fuppofing the principal and intereft down to the end of 1784, not to exceed 12 lacks, the whole of the debts to that period, including the three feveral defcriptions, will be —— —— —— 79.81.790

New, —— ——	60.74.592	
Cavalry, —— ——	7.07.198	
Old, —— ——	12.00.000	
Pagodas ——		79.81.790

Since the amount of the debts admitted by the Board of Controul cannot be lefs than 79 lacks, probably more, when they fhall all be made up to the 31ft of December, 1784.

Now, admitting the old debts of 1767, with compound intereft, after the rate of 10 *per cent.* to the end of December, 1784, to be only —— —— Pagodas 12.00.000

The annual intereft of 10 *per cent.* will amount to 1,20,000

Intereft to be paid annually on the Cavalry Loan, at 12 *per cent.* principal Pagodas, 7.07.198, comes to —— —— 84.000

The remainder, being the new confolidated debts, and amounting to Padodas 60 lacks, the intereft at fix *per cent.* —— 3.60.000

Intereft to be paid annually in the firft inftance, —— —— 4.44.000

The annual amount to be required of the Nabob for difcharging the debts due to his private creditors, and to the Company, is ftated at 12 lacks of Pogodas, or —— £.480,000

The annual intereft of the new confolidated Loan, and that of the Cavalry, which is to be paid prior to any demand of the Company, as now fettled by the Board of Controul, the intereft of thefe private debts amounts to about 180,000

The debts provided for, the remainder amounting to —— —— —— £.300,000

is to be difpofed of as follows:

The one-half, or £.150,000, is to be appropriated to the reduction of the Company's debt, due from the Nabob, and the other half to the payment of the interest and principal of the old consolidated debt of 1767. The debt extinguished, the same process is to take place for the exertion of the cavalry debt, these two debts making together £ 760,000, with their growing interest to the amount of £.80,000 a year, will take to the end of 1789, or 1790, to discharge them, admitting the Nabob shall make his payment of the first 12 lacks by the end of 1783, (which can never be expected) and continue the same annual advance, without reduction, down to the end of 1789, or 1790; because any reduction of the 12 lacks must tend to protract the discharge of these two debts beyond the above period. But admitting that 12 lacks be regularly paid, in case the old debt of 1769, with its accumulated interest, shall exeeed the amount herein stated, and which is not at present ascertained, the extinction of these two debts would be equally prolonged beyond the end of 1789, or 1790, therefore *the Company, upon this plan, can have no prospect of being reimbursed in the ensuing six or seven years* more *than £.900,000, or* 1,000,000, *of the money due from the Nabob, for the arrears of his current payments, and the expences incurred for the defence of the Carnatic, which, according to the statements already at home, and the charges to be brought to his account on the winding up the war, can be nothing short of three millions sterling, without any interest charged upon it*; whilst the debt due to the *private creditors*, made up to the end of 1784, with compound interest, and amounting to the sum of

 £ 3,500,000

£.3,500,000, will, *in six or seven years, have received an interest and principal upwards of* 2,000,000, *or of two-thirds of their amount, with compound interest, down to the end of* 1784. In short, under this regulation, *the Company will be to receive* £.150,000, *and the private creditors* £.330,000 *a year. And thus the public debt, carrying no interest, will be protracted to afford a preference to private debts, consisting of different descriptions, on the validity of a part of which claims the Board have declared,* they were contracted *contrary to the public orders of the Company,* and therefore could have *no sanction or authority* from the Court of Directors.

It is also to be observed, that if the Nabob shall, for three or four years to come, find himself unable to afford, from the current expences of Government, more than four or five out of 12 lacks towards the annual reduction of his debts and arrears, the Company and the creditors for the remainder of the old consolidated debt of 1767, the best established of the private debts, would receive nothing, as the growing interest on the new consolidated debt and the cavalry loan will take 4 ½ lacks for its annual discharge; and nothing can more plainly shew the deficiencies in collections, than by observing, that the revenues, even under the management of Lord Macartney, have not been able to diminish the current arrears; but, on the contrary, they were, by the last advices, encreased as follows:

Arrears due in civil and military departments on the 31st of October, 1783, ———	£. 929.000
On the 21th of January, 1784,	1,273,000

exclusive of what may be due to the Southern troops

troops (the accounts of which had not been received) and the expences of the Bengal detachment ſerving on that coaſt.

No. 5.

Rejoinder of the Board of Commiſſioners.

Sixth Article.——Arrangement of the Nabob's Debts to Individuals, and to the Company.

We think it proper, conſidering the particular nature of the ſubject, to ſtate to you the following remarks on that part of your repreſentation which relates to the plan for the diſcharge of the Nabob's debts.

1ſt. You compute the revenues which the Carnatic may be expected to produce only at 20 lacks of Pagodas, if we concurred with you in this opinion, we ſhould certainly feel our hopes of advantage to all parties from this arrangement conſiderably diminiſhed; but we truſt that we are not too ſanguine on this head, where we place our greateſt reliance on the eſtimate tranſmitted to you by your Preſident of Fort St. George, having then the beſt means of information upon the fact, and ſtating it with a particular view to the ſubject matter of theſe paragraphs, ſome allowance, we are ſenſible, muſt be made for the difference of collection in the Nabob's hands, but, we truſt, not ſuch as to reduce the receipt nearly to what you ſuppoſe.

2dly. For making up the amount of the private debts, you take in compound intereſt at the different

different rates ſpecified in our paragraph; this it was not our intention to allow: And leſt any miſconception ſhould ariſe on the ſpot, we have added an expreſs direction, that the debts be made up with ſimple intereſt only, from the time of their reſpective conſolidation clauſe.

3dly. We have alſo the *ſtrongeſt grounds to believe*, that the debts will be, in other reſpects, conſiderably leſs than they are now reputed by you, and conſequently the Company's annual proportion of the 12 lacks will be larger than it appears in your eſtimate. But even in your own ſtatement of it, if we add to the £.150,000, or 375,000 Pagodas (which you take as the annual proportion to be received by the Company for five years to the end of 1789) the annual amount of the Tanjour peſhcuſh for the ſame period, and the arrears on the peſhcuſh (propoſed by Lord Macartney to be received in three years) the whole will make a ſum not falling very ſhort of 35,00,000 Pagodas, the amount of 7,[illegible] Pagodas *p*[illegible] for the ſame period. And if we carry our calculations farther, it will appear that both by the plan propoſed by the Nabob, and adopted in your paragraphs, and by that which we tranſmitted to you, the debt from the Nabob, if taken at 9,[illegible],000, will be diſcharged nearly at the ſame period, viz. in the courſe of the 11th year. We cannot therefore be of opinion, that there *is the ſmalleſt ground for objecting to* [illegible] *arrangement* as injurious to the intereſt of the Company, and if the meaſures were to be conſidered upon the mere ground of expediency, and with a view only to the wiſdom of re-[illegible] [illegible] and circulation in a commercial ſettlement, without any conſideration of theſe motives of attention

tention to the feelings and honour of the Nabob, of humanity to individuals, and of juſtice to perſons in your ſervice, and living under your protection, which have actuated the Legiſlature, and which afford not only juſtifiable, but commendable grounds for your conduct.

Impreſſed with this conviction *we have not made any alteration in the general outlines of the arrangement* which we had before tranſmitted to you: But as the amount of the Nabob's revenue is matter of uncertain conjecture, and as it does not appear juſt to us that any deficiency ſhould fall wholly on one claſs of theſe debts, we have added a direction to your Governor of Fort St. George, that if, notwithſtanding the proviſions contained in our former paragraphs, any deficiency ſhould ariſe, the payments of what ſhall be ſecured ſhall be made in the ſame proportion, which would have been obtained in the diviſion of the whole 12 lacks, had they been paid.

As we have now tranſmitted to you our final directions on the whole ſubject matter in this diſpatch, and as, on many of the inſtructions which are therein given to your ſervants in India, relate to points of the higheſt importance, and in which any unneceſſary delay might be in the greateſt degree prejudicial to your ſervice, we deſire *that you will forthwith tranſmit them to your different ſettlements.*

We have the honour to be, &c.

HENRY DUNDAS,
WALSINGHAM,
W. W. GRENVILLE,
MULGRAVE.

Whitehall,
3d Nov. 1784.

APPENDIX

APPENDIX II.

No. 1.

Paragraph propofed by the Court of Directors, to be fent to their Prefidency of Fort St. George.

Sent to the Board of Commiffioners, 16th June, 1785.

IN reply to the two hundred and eighty-third paragraph of your felect letter, dated the 5th September, 1782, relative to the requeft of your Chief Engineer, Lieutenant Colonel Rofs, we cannot help expreffing our very great furprize that, after we had twice put a negative upon his application for advanced rank, previous to his departure from England, he fhould have been induced foon after his arrival at Madras, to renew his aplication to you. In his letter to your Board of the 1ft of July, 1782, he ftates, that we had permitted him "to return to his rank in the "fervice, which is next before Colonel James;" but Colonel Rofs muft have known that we permitted him, in the very words of our refolution, "To return to his rank of *Lieutenant-Colonel and* "*Chief Engineer at Madras*, but that he be not "allowed to rank in the infantry corps on that "eftablifhment;" and that upon his fubfequent requeft to rank as Colonel in the army by brevet, we refolved not to comply therewith. His urging you, therefore, to compliance with a requeft which he had previoufly decided on, was highly difrefpectful to us, and we direct that you acquaint Lietenant-Colonel Rofs, of our difapprobation of his conduct on this occafion.

Extrac

No. 2.

Extract of a Letter from the Right Honourable the Commiſſioners for the Affairs of India to the Court of Directors, dated June 27th, 1785.

WE have *expunged* the ſeventeenth paragraph of the draft No. 60, becauſe *we cannot concur in your diſapprobation of Lieutenant-Colonel Roſs's conduct*, in renewing an application which we conceive to be founded on the conſtant uſage of the King's military ſervice. There are many teſtimonies on your records of Colonel Roſs's long and faithful ſervices, which entitle him to your favour; and we conceive his requeſt goes no farther than to be put on a footing, in point of rank, with other officers of his ſtanding at your Preſidency, and not as a rank to be attached in future to the eſtabliſhment of the Engineer Corps, or attended even in this inſtance with any new expence to the Company.

(Signed) HENRY DUNDAS.
WALSINGHAM.
MULGRAVE.
W. W. GRENVILLE.

No. 3.

Extract of a Letter from the Court of Directors to the Right Honourable the Commiſſioners for the Affairs of India, dated the 30th June, 1785.

WE were equally ſurprized and concerned, that your Right Honourable Board ſhould have expunged our paragraph concerning the conduct of Lieutenant-Colonel Roſs, in having

E endeavoured

endeavoured to prevail upon our servants at Madrass, to comply with a request, which, previous to his departure from England, we, the Court of Directors, had twice refused upon his repeated applications. *This mode of appealing from the superior to the inferior authority, is so destructive of all government, that we should think we abdicated our trust, if such a conduct was permitted to pass without censure.* Sure we are that a moment's reflection will convince your Right Honourable Board, that *such a deliberate contempt of our authority, not only not disapproved, but indirectly applauded, by your Right Honourable Board refusing us permission even to reprehend, must lead our servants to imagine, that it is no longer their duty to obey those who possess the present authority in Great-Britain, but that they may safely speculate on the probable judgment which may be hereafter formed on the propriety of the original orders.* We shall not now discuss the propriety of our former resolutions, because we think the season for such a discussion is long since passed, but we beg leave to assure your Right Honourable Board, that we were not inattentive to the merits of Colonel Ross, when we formed the paragraph in question. We think we have acted with great moderation, yet this moderation must not induce us to forget the trust that is committed to our hands, consistently with which trust, it will be impossible for us to retain in our service any man, *whose contemptuous neglect of our authority we are not permitted to reprehend.*

To

No. 4.

To the Right Honourable the Board of Commiſſioners for the Affairs of India,

My Lords and Gentlemen,

WE are extremely concerned to be engaged in any altercation with your Right Honourable Board, and much more that we ſhould be impelled by a ſenſe of duty to reſiſt an authority which you have thought fit to exerciſe; but the preſent occaſion appears to us *ſo momentous, and a ſubmiſſion on our part ſo deſtructive of all order and ſubordination in India,* that we muſt take the liberty to inform your Right Honourable Board, that no diſpatch can be ſent to India, which does not contain our final deciſion on the conduct of Lieutenant-Colonel Roſs.

We have the honour to be, with great reſpect,
My Lords and Gentlemen,
Your moſt obedient, and
moſt humble ſervants,
Signed by order of the
Court of Directors,
THOMAS MORTON, Sec.

Eaſt-India Houſe, the 2d July, 1785.

No. 5.

Extract of a Letter from the Right Honourable the Commiſſioners for the Affairs of India to the Court of Directors, dated the 7th July, 1785.

WE have given due attention to your letters, dated the 30th ultimo, and the 2d inſtant, and muſt, in the firſt inſtance, aſſure you, that we

 neither

neither are, nor mean to be engaged in any altercation with the Court of Directors, and for that reason we avoid all obfervation upon the ftyle of the letters you have been pleafed to addrefs to us. We fhall endeavour faithfully, and confcientioufly to difcharge the duties of our fituation, as chalked out to us by the authority of the Legiflature, under which we act, without wifhing to go beyond the limits which it has thought proper to prefcribe *.

Upon the fubject of Lieutenant-Colonel Rofs, we agree with you, that his anxiety to obtain what he conceived to be juftice, has lead him into an act of irregularity in ftating his pretenfions to the Governor and Council of Fort St. George, inftead of refpectfully conveying his requeft to you, his employers, through the channel of their difpatches. In this refpect we think him culpable, and when we formerly gave you our fentiments upon this fubject, it was merely to bring under your view the ideas we entertained of the juftice of his claim, being perfectly aware that you are not bound to adopt thefe ideas, unlefs your own opinion fhould coincide with them. For reafons arifing from the earneft reprefentation you have made to us, you have our acquiefcence to fend out the paragraph as originally framed. We truft, however, that by this acquiefcence, it will not be underftood, THAT WE MEAN TO RECOGNIZE ANY POWER IN YOU TO TRANSMIT TO INDIA EITHER CENSURE OR APPROBATION OF THE CONDUCT OF ANY SERVANT, CIVIL

* As a fpecimen, fee the conduct of the Board on the duties prefcribed by the legiflature, in the 37th fection of the act relative to the claims of Britifh fubjects.

OR

OR MILITARY, EXCLUSIVE OF THE CONTROUL OF THIS BOARD. You very truly intimate to us, that it is in your power, without our permiſſion, to diſmiſs Lieutenant-Colonel Roſs from your ſervice. The power you undoubtedly poſſeſs of appointing and diſmiſſing your ſervants is a public truſt, veſted in you for the eſſential intereſts of the Company, and we are convinced, that the propriety of that truſt will be fully juſtified by your *prudent* and conſcientious diſcharge of a duty ſo delicate in itſelf, and ſo important both to the proſperity of the Company, and to the fortunes and characters of individuals thus placed under the protection of your juſtice.

(Signed) HENRY DUNDAS.
WALSINGHAM.
MULGRAVE.
W. W. GRENVILLE.

No. 6.

At a Court of Directors, held on Friday the 8th July, 1785.

ON A MOTION,

RESOLVED,—That the Right Honourable the Board of Commiſſioners for the Affairs of India, in their Letter dated the 7th inſtant, having given their acquieſcence to ſending the Court's paragraph reſpecting Lieutenant-Colonel Roſs, under a declaration, " That they truſt, " that by ſuch acquieſcence, it will not be un-" derſtood, that the Board mean to recognize " any power in the Court, to tranſmit to India, " either cenſure or approbation of the conduct " of

" of any servant, civil or military, exclusive of " the controul of the said Board," this Court think it incumbent upon them to declare, that they have not the most distant wish to resist the controuling powers, delegated to the said Right Honourable Board of Commissioners by the Legislature; but, on the contrary, it is their earnest desire to pay the most ready and chearful obedience thereto, in as full a manner as such powers were meant to be given by the Legislature: But at the same time, this Court further think it right to declare, that as the appointment of all officers, civil and military, is wholly in the Company, together with a power of dismission, the right of reprehension for misbehaviour, and more especially for every contempt of the authority of this Court, from whom all appointments flow, must necessarily follow; and if this Court should be controuled in the reasonable exercise in the more mild power of reprehension, they may be forced to adopt that of dismission, for the very important purpose of guarding themselves from insult, and preserving a due subordination to the executive governing power of the Company.

A P P E N D I X III.

No. 1.

Draft Paragraphs propofed by the Court of Directors, to be fent to their Prefidency at Fort St. George.

WE have attentively confidered your late difpatches, relative to the furrender of the affignment to the Nabob of Arcot, in obedience to your orders of the 9th December, 1784, and the manner in which thofe orders have been carried into execution, by the agreement of the 28th June laft, and with your knowledge of the utter incompetency of the Soucar fecurity, propofed in our before-mentioned difpatches to be taken for the 12 lacks, you acted very properly in ftipulating, by the 4th article of that agreement, for the fame kind of fecurity as you were directed to demand for the Nabob's proportion of the current charges*. "We think, however, that the "amount of this fecurity, which is eftimated "only at fix lacks of Pagodas *per annum*, is very "inadequate for the payment of the 10 lacks of "Pagodas, efpecially when we confider, that the "diftricts thus affigned by the 10th article were "a part of thofe which had fuffered moft from "the ravages of the enemy during the late war, "and of courfe will be the leaft productive for "fome time to come. After you had failed in "your endeavours to prevail on the Nabob to

* The paffages marked with inverted commas were expunged by the Board of Controul.

"more

" name ſuch diſtricts as were in a more flouriſh-
" ing ſtate, you acted very prudently in obtaining
" a ſtipulation, that if the deficiency exceeded
" what the aſſigned diſtricts could make good,
" other diſtricts ſhould be ſpecified in addition
" thereto."

We have likewiſe conſidered the arrangement of the kiſts in which the 16 lacks are to be paid into the Company's Treaſury: You manifeſted a commendable attention to the Company's intereſts, by providing that the amount of the Nabob's ſhare of the current charges ſhould be excluſively paid with the firſt kiſt, and as much of the ſecond kiſt as may be neceſſary to make up the four lacks of Pagodas. But, as we conſider this agreement as merely preparatory to the final arrangement, which by our before-mentioned orders of the 9th December you were directed to negociate with the Nabob of Arcot, and the Rajah of Tanjore, we ſhall forbear to enter at large into a full diſcuſſion of this ſubject, until the receipt of the Definitive Treaty.

" It is however proper to remind you, that by
" the firſt article of the Preliminaries, the Na-
" bob's current charges are ſettled for the pre-
" ſent at four lacks of Pagodas *per annum*; we
" cannot help obſerving, that the Nabob has
" uſually [illegible], upon the account of his current
" charges, previous to his making over the aſ-
" ſignment of his countries to us, not leſs than
" five lacks of Pagodas *per annum*, and we are
" not aware of your reaſons for departing from
" that rule in the preſent inſtance; but as you
" are ſhortly to ſettle an engagement with his
" Highneſs, upon a new and permanent footing,

" and

" and as we do not wiſh to be too rigid, in " exacting from the Nabob for ſo ſhort a time, " any ſum beyond what has appeared reaſonable " to his Highneſs and to yourſelves, we forbear " to make any obſervations upon it, further than " to ſay, that we are perſuaded that you had " good and ſufficient reaſons, which you will no " doubt have communicated to us, for having " altered the ſum at which you have propoſed " to ſettle his Highneſs's current charges by " the Preliminaries which you have already tranſ- " mitted.

" There is alſo another part of the prelimi- " naries to which we are perſuaded you will ad- " vert, when you come to ſettle the treaty itſelf, " as it may be of conſequence in a permanent " agreement, tho' perhaps it may not in one " which is merely temporary, viz. the power the " Nabob has reſerved to himſelf in the 5th ar- " ticle, of keeping a full, excluſive, and ulti- " mate authority over his Aumildars in all caſes " whatſoever. You will certainly recollect, that " it was the conſtant opinion of your Govern- " ment during Lord Macartney's adminiſtra- " tion, that as long as the Nabob had that power " veſted in him, it was in vain for the Company " to expect any benefit from the aſſignment of " the country being made over in every other " reſpect to them, altho' we flatter ourſelves that " his Highneſs and his ſucceſſors will always be " upon the beſt terms with the Company, and " will conſider their joint intereſts as inſeparable " from that of the Company in war, as well as " in peace, yet to a nation looking to future (but " we hope very diſtant) events, it is a conſide- " ration which we truſt will by no means have " eſcaped your attention."

Extract of a Letter from the Board of Commissioners, dated 26th April, 1786.

No 2.

WE have expunged from your draft, No. 191, a considerable part of what you have proposed to write to your Presidency of Fort St. George, on the subject of carrying into execution your orders of the 9th of December, 1784, with regard to the surrender of the assignment to the Nabob of the Carnatic, and their proceedings thereupon *. *As we think it more proper that such instructions as it is now necessary to transmit upon that subject should go through the channel of your Secret Committee, we shall send a draft to them for that purpose.*

(Signed.) HENRY DUNDAS.
WM. PITT.
W. W. GRENVILLE.

* The passages so expunged, are those marked with inverted commas in No. 1.

APPENDIX IV.

No. 1.

Case for the Opinion of Counsel.

" WE have expunged from your draft, No. " 191, a confiderable part of what you have pro- " pofed to write to your Prefidency at Fort St. " George, on the fubject of carrying into execu- " tion your orders of the 9th of December, 1784, " with regard to the furrender of the affignment " to the Nabob of the Carnatic, and their pro- " ceedings thereupon. *As we think it more pro- " per that fuch inftructions as it is now neceffary " to tranfmit upon that fubject, fhould go through " the channel of your Secret Committee, we fhall " fend a draft to them for that purpofe.*"

Pleafe to fee the act of 24 Geo. 3. cap. 25. fect. 15. refpecting fending fecret orders concerning the levying of war or making peace, or treating, or negotiating with any of the native Princes, or States, in India.

Alfo fect. 37. of the fame act by which the Court of Directors to take into confideration the origin, and juftice of the demands of Britifh fubjects on the Nabob of Arcot, and to give orders for the fecurity and difcharge thereof, confiftent with the rights of the Company, the fecurity of the creditors, and the honour and dignity of the Nabob.

 The

The Court of Directors conceive that the paragraph expunged by the Board of Commiſſioners, and propoſed to be treated of by them in ſecret orders, are matters which *are expreſsly referred to the Court of Directors by the ſaid 37th ſection*, and that even independent of ſuch ſection, it was by no means agreeable to the *ſpirit* of the act, whatever may be the letter of it, that any negotiations ſhould be *ſecret, except what related to peace or war*.

Your opinion is deſired, whether the Board of Commiſſioners for the affairs of India, are authorized either by the ſpirit or the words of the ſaid Act of 24 Geo. 3. to correſpond with and give directions to the Preſidency of Fort St. George, through the Secret Committee, directed to be appointed by that act, upon the ſubjects treated of in the ſaid paragraphs.

No. 2.

Attorney General's Opinion.

There ſeems to me no doubt that the paragraphs expunged fall within the 15th ſection, as relating to negotiations and treaties with a native Prince of India; and conſequently, if the Board of Controul judge that the ſame require ſecrecy, they are authorized to direct them to be tranſmitted through the Secret Committee. The 37th ſection has not in my opinion, abridged in the preſent caſe the power given to the Board of Controul by the 15th ſection.

R. P. ARDEN.

June 13, 1786.

No.

No. 3.

Solicitor General's Opinion.

I do not ſee any juſt ground in the act of 24 Geo. 3. chap. 25. for making the ſubjects treated of in the paragraphs ſtated in the caſe, an exception to the general rule laid down in ſection 15, which extends to all treaties or negotiations with *any* of the native Princes or States in India, which may in the judgment of the Board of Commiſſioners require ſecrecy. The 37th ſection requires, that the Directors ſhould as ſoon as may be, advert to the ſubject of Britiſh claims, and take meaſures for their adjuſtment and diſcharge, but if that is done by Treaty with the native Princes, and the Board of Commiſſioners deem any part of that Treaty a proper matter of ſecrecy, I conceive that the directions of the 15th ſection muſt be complied with.

AR. MACDONALD.
Lincoln's-Inn, June 13, 1786.

N. 4.

Opinion of the Company's Counſel.

By the 15th ſection the Board of Commiſſioners are conſtituted the judges of what matters require ſecrecy, relative to negotiations with any of the native Princes, and the Nabob of Arcot is unqueſtionably recognized in that character, as well by the public treaties of the country, as by the acts of the

the Eaſt India Company. I think therefore, as the act now ſtands, the Commiſſioners are authorized to tranſmit their orders through the Secret Committee, if ſuch ſhall be their pleaſure. It ſeems, however, not to have been a caſe within the contemplation of the Legiſlature at the paſſing the act; for the clauſe is manifeſtly directed to meaſures of hoſtility or negotiation with foreign Powers, which may require ſecrecy; whereas the Nabob of Arcot, (whatever he may be in form) is in effect the Adminiſtrator of the Civil Government of the countries conquered and defended by the Britiſh arms, holding theſe countries upon the implied condition underſtood and uniformly acted upon, of furniſhing from the revenues the means of defence. *The arrangements taken with him, ought therefore to be made upon principles as fixed, and certain, and as open to diſcuſſion as the internal Government of the Province of Bengal.* The whole effect of the late Regulating Bill in controuling the two Boards of Directors and of Commiſſioners, the one propoſing meaſures, and the other after repreſentation finally deciding, will be loſt, as far as concerns the Government of Madras, if the intercourſe with the Nabob ſhall be confined to the Secret Department, becauſe *this intercourſe involves directly the arrangements regarding the military force, and indirectly every intereſt in that ſettlement.* The Directors cannot but recollect that the corruption of their Servants from that quarter, having already once overturned the Government of Madras, and being one cauſe of that war, which hazarded the loſs of India, this intercourſe will ever deſerve their moſt vigilant attention. If the ſubject ſhould appear equally

important

important to the Court of Directors as it does to me, I ſhould rather adviſe an application to Parliament to explain this clauſe in the act, and confine it to its true object, negociations relative to war and peace, *than ſilently to relinquiſh all inſpection into ſo important a part of the intereſts of the Company.*

GEO. ROUS.
May 2, 1785.

APPENDIX V.

No. I.

At a Court of Directors, held on Tuesday the 13th June, 1786,

Samuel Smith, Esq. delivered in the following letter, viz.

Honourable Sirs,

I AM sorry to be under the necessity of entering any justification of my conduct on the records of the Company; but disapproving the acquiescence which has been given to the power now assumed by the Board of Commissioners, in taking upon themselves the final arrangement respecting the assignment of the Nabob's country, as a matter of *secrecy*, by a *forced construction*, and, as your Council has stated in his opinion, *an abuse of the clause by which the powers are defined respecting the Secret Committee*, as the subject *neither involves the consideration of war, or peace, or negociation, or treaty, having a reference thereto*, I must therefore protest against the exercise of that power, under such circumstances, in as much as *it tends to establish a secret system of government, dangerous in its principles, and subversive of the rights of the Company.*

If arrangements are to be made with the Nabob's Princes or States, which do not involve the consideration of peace, or war, or any matter connected therewith, solely by the Board, as matters requiring secrecy, because, by a forced construction of the clause, they may be termed negociations with native Princes or States, *the*

whole

whole political correſpondence is taken from the Court, and given to the Board excluſively as a ſecret correſpondence, which the Secret Committee of Directors are bound to tranſmit to India, but cannot *give any opinion thereon,* and which the Governors are directed to obey: Thus *almoſt the whole tranſactions of India may be concealed from the knowledge of the Court of Directors; nor can Parliament obtain any information upon the ſubject, if Miniſters wiſh to with-hold it, without abſolving perſons from their oaths.*

The intention of the Legiſlature muſt have been, that the Commiſſioners ſhould make only ſuch things matters of ſecrecy, which, by being known, might be liable to be counteracted, ſuch as orders for the levying of war, or the making of peace, or ſuch negociations, and treaties which have a reference to either of the above, and which are univerſally admitted as neceſſary to the well being of the ſtate, that they ſhould for a time be with-held from public inſpection; but it never can ſurely be contended, that *the liquidating a debt,* or the *ſettlement* of *a matter of account,* or *the receiving the ſecurity,* or *the aſſignments for the arrears of the revenue* can (becauſe they might give riſe to diſagreements, which might eventually, though not probably, produce reſiſtance) *fall within the conſtruction of that clauſe.* If ſuch is the meaning of that clauſe, *there is no tranſaction of any kind whatever, or concern in any department of the Government of India, which may not be aſſerted to have remotely ſome relation to native Princes or States,* and that may not be forced into the conſtruction of that clauſe, and by that means *the whole political government of India be made a matter of ſecrecy.*

 I am

I am ſenſible the object of Mr. Pitt's Bill was to ſuperintend and controul, with a view to prevent the abuſes in India, and not to *wreſt from the Company the political management of its affairs*; nor was it *then* urged, the proper Government for India was a Government of ſecrecy. The benefit likely to reſult from that meaſure was the mutual check that ſubſiſted between the Board and the Directors. By the extenſion given to the power of the Board, by the *forced conſtruction of that clauſe*, that check is entirely removed, and the *whole power lodged in the hands of the Commiſſioners, to be exerciſed at their diſcretion, without being liable to any inſpection.*

It will be in vain to contend, that the patronage is ſecured to the Company by the Act of Parliament; if *the Government is ſecret*, it will be abſurd to ſuppoſe, that the *patronage will be open*, or that thoſe who have no voice in the meaſure will have much concern, if any, in the appointments; if they have not, to what evils, ſo often foreboded as dangerous to this Conſtitution, will not this myſterious Government of India expoſe us? And if this is to be contended as a neceſſary mode of managing and controuling the affairs of India, it will, in my opinion, give riſe to a queſtion, whether, under ſuch circumſtances of danger to the Conſtitution, our Indian poſſeſſions are worth retaining?

In thus objecting to the power claimed by the Board of Commiſſioners, I do not mean to diſpute their power of controul, but contend, that except in the caſes to which I allude, it ought to be *open and liable to inſpection.*

I am alſo apprehenſive that the trade, in order to make good the engagements now ſubſiſting, muſt

muſt be forced to ſuch an extent, as together with the export of bullion to China, (unleſs means can be found to ſupply that ſettlement from India) and the encreaſed import of manufactured goods, will involve many conſiderations reſpecting the eſſential intereſts of this country, as may render in its deciſion, the ſituation of a Director, and of a Member of the Houſe of Commons, incompatible with each other. A public ſituation reduced *to the mere mechaniſm of official obedience* can afford but little credit, even by the moſt rigid diſcharge of its functions. Circumſcribed as the power of the Court now is, and by the interpretation given to the clauſe to which I allude, *incapable of acting either with energy or effect, it muſt e'er long yield an eaſy ſurrender of its remaining rights, to the encroachments and vigilance of a more active controul.* Thus circumſtanced, the office of a Director may be the ſubject of obloquy, and, though liable to a ſerious reſponſibility in the caſe of miſconduct in others, is too ſubordinate to continue the poſt either of independence or honour.

It is, therefore, my intention to reſign my truſt to the Proprietors, conſcious that whilſt I held it, I endeavoured to diſcharge it to the beſt of my abilities, and with an integrity unimpeached.

I am, with great reſpect,
Honourable Sirs,
Your moſt obedient and
devoted Servant,
SAMUEL SMITH, Jun.

India-Houſe, June 13th, 1786.

To the Honourable the Court of Directors, &c.

No. 2.

At a Court of Directors, held Thursday, 15th June, 1786.

The Court now, according to order, proceeding to take into consideration a motion entered on yesterday's minutes, respecting the powers of the Right Honourable the Board of Commissioners for the affairs of India,

And the said motion having been amended, and standing as follows, viz.

"That it is the opinion of this Court, that the "Board of Commissioners for the affairs of India, "by drawing the pecuniary arrangements, with "the Nabob of Arcot into the secret department, "have extended the power given them by the "15th section of the act of the 24th of his present Majesty, (entitled, "An act for the better "Regulation and Management of the Affairs of "the East-India Company, and of the British "Possessions in India, and for establishing a "Court of Judicature for the more speedy and "effectual Trial of Persons accused of Offences "committed in the East-Indies,") beyond the "original intention of the legislature, and, that it "is expedient to apply to the legislature for a further explanation and more correct limitation of "the said power."

It was moved, that the above motion be taken into consideration this day month.

And the question thereon being put by the ballot, the same passed in the affirmative.

No. 3.

At a General Court, held on Friday, the 30th June, 1786.

RESOLVED, That the conftruction of the act of the 24th of his prefent Majefty, under which the Right Honourable Board of Commiffioners for the affairs of India, have claimed to exercife the powers in inftances before the Court, is *fubverfive of the authority of the Court of Directors, and the chartered rights of this Company*, recognized and confirmed by the faid act, and *tends to eftablifh a fecret fyftem of Government highly dangerous to interefts of the the public and the Company.*

No. 4.

At a Court of Directors held Wednefday, the 29th of November, 1786.

THE Court now proceeding according to order of the 1ft inftant, to take into confideration the motion made on the 15th June laft, refpecting the powers of the Board of Controul,

The faid Motion was read; alfo

The Refolution of the General Court, of the 30th June laft.

It was then moved, and on the queftion, Refolved unanimoufly, That the Chairman, and Deputy Chairman, be defired to wait upon the Right Honourable the Chancellor of the Exchequer, to lay before him the refolution of the General Court of the 30th June laft, and propofe the following queftion, viz.

"IF

"If the Court of Directors with the authority "of the General Court of Proprietors, shall think "proper to apply to Parliament, to explain the "powers of the Board of Controul with regard "to Secret Correspondence, relative to the Coun-"try Powers of India, will you assist them in their "application?"

No. 5.

Wednesday, the 6th of December, 1786.

THE Chairman acquainted the Court, that he had waited on the Chancellor of the Exchequer, and communicated to him the Resolution of the last Court, respecting an application to Parliament, as to the powers of the Right Honourable the Commissioners for the Affairs of India, and that Mr. Pitt signified his intention of giving an answer to the same in writing, in the course of the week.

No. 6.

Wednesday, the 13th of December, 1786.

THE Chairman and Deputy Chairman reported, that in obedience to the orders of the Court of the 29th ultimo, they had been this morning with the Chancellor of the Exchequer, who said "he cannot agree to the sentiments ex-"pressed in the resolution, concerning the con-"duct of the Right Honourable the Board of "Commissioners for the Affairs of India, and "does not see any ground for an application to "Parliament on the subject."

APPENDIX

APPENDIX VI.

No. 1.

To the Court of Directors of the United Company of Merchants of England, trading to the East-Indies.

Gentlemen,

OBSERVING of late that there has been confiderable *inaccuracy* in the correfpondence from India, which we in a great meafure attribute to fo much of your bufinefs, although no ways of a fecret nature, coming from the fecret department, we have inferted a paragraph in your draft, No. 294, for the purpofe of remedying that *inaccuracy*.

We have the honour to be,
Gentlemen,
Your moft obedient,
humble Servants,

Whitehall,
5th Feb. 1787.

(Signed) WILLIAM PITT,
HENRY DUNDAS.
MULGRAVE.

No. 2.

Copy of the Paragraph referred to in the above Letter.

In the conduct of your bufinefs we obferve, that a good deal of *inaccuracy* and *negligence* arifes by fo much

much of your correfpondence being addreffed to us from your Secret Department. By this means an ambiguity is created as to the proper fubjects to be directed to the whole Court of Directors, or the Secret Committee. To put an end to all *ambiguity* for the future, we direct, that whatever is *of a fecret and confidential nature, and falls within the views and directions of the act of parliament, eftablifhing a Secret Committee from among our number*, fhould be directed to our Secret Committee, but let all other fubjects which do not fall within that defcription, ceafe to be addreffed to us from your Secret Department, but let them come to us from your *Public Revenue, Commercial* or *Military* Departments, according to the nature of the fubject with which it is connected, and by attending accurately to the arrangement of your correfpondeuce under thofe heads, all ambiguity will henceforward be removed.

Whitehall, Approved by the Board.
5th February, 1787.

(Signed) WM. PITT.
HENRY DUNDAS.
MULGRAVE.

APPENDIX VII.

No. 1.

Extract from the Proceedings at a General Court, held on Friday the 29th of May, 1767.

IT being obferved, that it might be proper, that any Member of the General Court, might, for his more certain information, have copies of any part of the tranfactions of the General Court as he fhould defire, and the fame having been debated, it was, on the queftion,

Refolved, "That it is the opinion of this Court, "that any proprietor of 500l. ftock, may have a "copy of the minutes of any General Court, "paying for the expences of fuch copy."

No 2.

To the Honourable Court of Directors.

Honourable Sirs,

I have to requeft a copy of the difpatch which was produced at the General Court, on Wednefday the 7th inftant, and on which Mr. Roufe, the Company's Counfel, founded his public opinion, that no fubftantial fecurity was given by the Board of Controul for the future prevention of thofe inaccuracies in the fecret department, which the Board profeffed to difapprove of.

On an application to your Secretary's Office, I was informed, that the above paper could not be inspected by me, because it had not been *read* at the General Court; but, though a commendable caution in your officers, may on their part have justified this refusal of my request, I am persuaded the Honourable Directors will by no means with-hold any necessary information from a Proprietor, by adopting so very nice a distinction on so very interesting a point, but that, acting up to the spirit of the resolution of 1767, they will admit, that a paper, *produced at a General Court*, and there *argued upon by the Company's Counsel*, becomes to all intents and purposes *a paper which constitutes a part of the public proceedings of the Proprietary at large.*

I have the honour to be,

Honourable Sirs,

Your most obedient humble servant,

(Signed) GEORGE TIERNEY.

Grosvenor-Street, February 9th, 1787.

No. 3.

Mr. Morton presents his compliments to Mr. Tierney, and acquaints him, his request for a copy of the paper therein mentioned, was laid before the Court of Directors, who have directed him to inform Mr. Tierney, *they cannot comply with his request.*

East-India-House, the 9th February, 1787.